

FY 2024 Budget Performance Review

296 - Ethics Commission

Lead Administrator: Ashley Kemp

Lead Financial Officer: Ashley Kemp

Agency Mission

The Oklahoma Ethics Commission is established in Article 29 of the Oklahoma Constitution. The Commission and legislature have shared jurisdiction over conduct of state officers and employees and campaigns for elective state office. The Commission's role is promulgate laws with civil penalties while criminal penalties are the purview of the legislature. The Commission may issue binding advice on its Rules. The Commission is required under the Constitution to investigate alleged violations of its Rules, and, when appropriate, prosecute in District Court alleged violations of those rules. The Commission also enforces other *ethics laws* as prescribed by law including SB 1745 (2014) and amendments thereto concerning political subdivision campaigns and financial disclosure of certain officers.

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, providing feedback on filed reports, and the use of an administrative hearing process to assess fees for matters not requiring a formal complaint and investigation.

Political and other Committees Registered: 896 (Candidate Committees: 406; Oklahoma Political Action Committees (PACs): 258; Political Party Committees: 85; Special Function Committees 147)

Lobbying Registrations: ~1270 (Lobbyists for legislative & executive lobbying: 310; Legislative lobbyist only: 114; Executive Lobbyists only: 18; Legislative Liaisons: 179; Lobbyist Principals: ~650)

Non-Oklahoma entities engaged in Oklahoma political spending 1/1/2022-1/10/2023: Out of state PAC: 8; FEC PACs & others: 45

1000010 - Enforcement

This program deals with enforcement of the Rules through investigations, complaints, and litigation if necessary.

1000010 - Resources and Materials

Until 2019, the Commission offered both regularly scheduled and ad hoc educational programs and materials with up to date information on the Ethics Rules as they apply to different regulated entities. Budget cuts and caps on fee revenue prevented the continuation of the program due to vacancies in both the Deputy Director and Director of Compliance positions.

1000010 - Rule Promulgation

Policy Development via enactment, modification, and/or repeal of Ethics Rules.

1000010 - Political Subdivision Enforcement

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'23 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1000010	Admin General Operations	\$684,313		\$261,488			\$945,801
8800020	Administrative IS Services	\$3,644		\$190,580			\$194,224
Total		\$687,957	\$0	\$452,068	\$0	\$0	\$1,140,025

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'22 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
N/A							\$0

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'22 and FY'23?

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

Commission continues to operate without an Educational Program due to the vacancies in Deputy Director and Director of Compliance.

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

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

Report reviews of so called "dark money", PACs, party committees, candidate committees, investigations of campaign activity and conflicts of interest are delayed, litigation, Guidance on the Ethics Rules, investigations, educational programs and resources, and administrative tasks.

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

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FY'24 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1000010	Admin General Operations	\$1,080,753	\$0	\$261,488	\$0	\$1,342,241	41.92%
8800020	Administrative IS Services	\$3,644	\$0	\$190,580	\$0	\$194,224	0.00%
Total		\$1,084,397	\$0	\$452,068	\$0	\$1,536,465	34.77%

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

FY'24 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Restore Funding to FY 2016 level	\$149,040
Request 2:	Education Resources position	\$97,400
Request 3:	Funding of the Political Subdivision Enforcement Division	\$150,000
Request 4:	Software Upgrade	TBD
Request 5:		
Top Five Request Subtotal:		\$396,440
Total Increase above FY-23 Budget (including all requests)		\$ 396,440
Difference between Top Five requests and total requests:		\$0

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 '24 as was received in FY '23? (Flat/ 0% change)

Extremely Negatively. The Commission's ability to use its revolving fund to offset appropriation deficiency was significantly limited in 2019 through a \$150,000 cap. The Commission's inability to utilize carryover funding likewise limits its ability to offset or otherwise accommodate appropriation deficiency or unexpected costs. Commission has a \$96,000 unexpected expense as a result of federal lawsuit and Commission is unable to accommodate this unexpected costs through fee revenue. constitutional priority is investigation of alleged violations of Ethics Rules. Investigations, Education, Advice, Customer Service, Filing Assistance, policy development are all negatively impacted by continued underappropriation.

How would the agency handle a 2% appropriation reduction in FY '24?

See above

Is the agency seeking any fee increases for FY '24?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)

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 LRPCPC? (Yes/No)
Priority 1 Guardian System Upgrades	\$1,130,000	
Priority 2		
Priority 3		

FY'23 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
1000010	Admin General Operations	2	5	0	5	1	1
8800020	Administrative IS Services		1			1	
Total		2	6	0	5	2	1

FTE History

Division #	Division Name	2023 Budgeted	2022	2021	2019	2014
1000010	Admin General Operations	8.0	6.0	6.0	6.0	7.0
8800020	Administrative IS Services					
Total		8.0	6.0	6.0	6.0	7.0

Performance Measure Review

	FY 22	FY 21	FY 20	FY 19	FY 18
Compliance					
Candidate Committees: Current/Most recent election	60%	80%	80%	100%	50%
All other Political Committees & non-committees	<5%	<5%	<5%	<5%	<5%
Lobbyist Reports	75%	100%	100%	100%	100%
Enforcement					
Average days from complaint to resolution		275	180	150	120

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Educational Resources & Materials					
Quarterly assessment of issues and feasibility of correction through education	30%	50%	75%	75%	75%
Annual Update online Rules and Annotations for Recent changes	100%	100%	100%	100%	100%
Update Educational materials every 2 years	20%	50%	50%	100%	100%
Policy/Rulemaking					
Rulemaking introduced	0	2	0	4	5
Promulgation and Delivery of Rules	0	2		3	5
Political Subdivision Enforcement					
Ensure Forms are available for PS to file	100%	100%	100%	100%	100%
Update Resource Materials annually or every 2 years	0%	0%	100%	100%	100%
Enforcement	<1%	<1%	<1%	<1%	<1%

Revolving Funds (200 Series Funds)

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'20-22 Avg. Revenues	FY'20-22 Avg. Expenditures	June '22 Balance
200: OK Coun Campaign, Eth Rev Fund			
HB 2745 limited 200 fund revenue to \$150,000 beginning in FY20. June receipts are transferred to fund in July.	\$187,193	\$73,353	\$433,341
210: Political Subdiv Enforcement Fd			
Never Funded	\$0	\$0	\$0
211: Ethics Commission Online Filing Revolving Fund			
Beginning in FY22 HB 2897 allows excess revenue over \$150,00 in 200 fund receipts to be deposited in the 211 fund. Revenue for the FY is capped at \$200,000.	\$60,039	\$9,333	\$152,117

FY 2023 Current Employee Telework Summary

<i>List each agency location, then report the number of employees associated with that location in the teleworking categories</i>			Full-time and Part-time Employees (#)			
Agency Location / Address	City	County	Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
2300 N. Lincoln Blvd G-27	Oklahoma City	Oklahoma	7			7
						0
Total Agency Employees						7