

LSC Greenbook

Analysis of the Enacted Budget

Ohio Ethics Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio Ethics Commission

- Funding mix: 63% GRF/37% non-GRF
- Enacted budget reduces GRF reliance
- Fee collections more critical part of budget

OVERVIEW

Duties and Responsibilities

The Ohio Ethics Commission administers, interprets, and enforces ethical conduct in government under the Ohio Ethics Law.¹ The Commission's specific statutory duties include: (1) rendering advice and guidance to public officials, (2) providing education and information on Ethics Law prohibitions, (3) administering financial disclosure statements, (4) conducting investigations, and (5) assisting the General Assembly in the consideration of ethics-related legislation.

The Commission's governing authority consists of six members who are appointed by the Governor with the advice and consent of the Senate; their political affiliation is equally divided between the two major parties. Members are compensated \$75 for each meeting, up to a maximum of \$1,800 per year. Day-to-day operations are handled by the Executive Director and 20 full-time employees.

Appropriation Overview

Table 1 below summarizes the Commission's FY 2012-FY 2013 budget in comparison to FY 2011 expenditures.

Table 1. Commission Appropriations by Fund Group, FY 2012-FY 2013 (Am. Sub. H.B. 153)					
Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$1,462,222	\$1,409,751	-3.6%	\$1,409,751	0.0%
General Services	\$641,617	\$827,393	29.0%	\$827,393	0.0%
Totals	\$2,103,839	\$2,237,144	6.3%	\$2,237,144	0.0%

*FY 2011 figures represent actual expenditures.

¹ The Ohio Ethics Commission is one of three state ethics agencies that oversee and administer the Ethics Law. The public officials and employees under their separate jurisdictions are as follows: (1) the Joint Legislative Ethics Commission – members and employees of the General Assembly, (2) the Board of Commissioners on Grievances and Discipline – judges and court employees, and (3) the Ethics Commission – entire Executive branch and all other state and local public officials and employees.

For each of FYs 2012 and 2013, the budget appropriates \$2,237,144, a 6.3% increase from the Commission's total FY 2011 expenditures of \$2,103,839. This increase is attributable to the budget's enhancement of the Commission's non-GRF revenue stream. Under the budget, the split between the Commission's GRF and non-GRF fee-driven funding streams will shift somewhat. In previous years, the GRF/non-GRF split was roughly 70%/30%. The budget realigns the GRF/non-GRF split to approximately 60%/40%, thus reducing the Commission's use of GRF funding and increasing its use of non-GRF money generated by financial disclosure statement filing fees.

Financial Disclosure Statement Filing Fees

The budget increases, beginning in 2011, the ethics disclosure statement filing fee for certain public officers and employees. The previous fee schedule generated an average of approximately \$465,000 annually. The fee increases are expected to generate approximately \$80,000 in additional revenue annually. This fee revenue is deposited in the state treasury to the credit of the Ohio Ethics Commission Fund (Fund 4M60), to be used solely for expenses related to the operation and statutory functions of the Commission. These fees were last raised in 2004 for the purpose of reducing the Commission's need for GRF funding. Table 2 below summarizes the Commission's previous fee schedule compared to the newly enacted schedule.

Table 2. Schedule of Financial Disclosure Statement Fees		
Office	Previous Fee	New Fee
State Elected Office	\$65	\$95
State Board of Education	\$25	No change
County Elected Office	\$40	\$60
City Elected Office	\$25	\$35
School Board Member	\$20	\$30
University or College Trustee	\$40	No change
School District or ESC Superintendent, Treasurer, or Business Manager	\$20	\$30
State Official or Employee	\$40	No change
Sanitary District Board Member	\$40	No change
Ohio Livestock Care Standards Board	\$25	\$40
Voluntary Filer	\$40	No change

ANALYSIS OF ENACTED BUDGET

Summarized in Table 3 below are the appropriations for the two line items that will be used to pay for the Commission's FY 2012-FY 2013 biennial operating expenses. The table is followed by a narrative describing how each appropriated amount will be used. Also noted in the narrative below is money made available for the performance of the Commission's casino-related duties.

Table 3. Ethics Commission Appropriations				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	146321	Operating Expenses	\$1,409,751	\$1,409,751
General Revenue Fund Subtotal			\$1,409,751	\$1,409,751
General Services Fund Group				
4M60	146601	Operating Expenses	\$827,393	\$827,393
General Services Fund Group Subtotal			\$827,393	\$827,393
Total Funding: Ethics Operations			\$2,237,144	\$2,237,144

Operating Expenses (GRF line item 146321, GSF line item 146601)

These two line items fund all of the Commission's operations, which include oversight of Ohio's ethics laws dealing with financial disclosure, conducting investigations, providing advisory opinions, and offering education on ethics issues to public officials. The appropriated funding level for these two line items should be sufficient for the Commission to maintain existing activities and services, including the payroll costs of 21 full-time employees. The GSF line item's appropriation is supported by revenues derived from disclosure filing fees, late filing fees, and in some cases, court-ordered restitution to help defray the cost of certain investigations.

Casino Investigations (SSR line item 146602)

Members and certain employees of the Ohio Casino Control Commission fall under the subject matter jurisdiction of the Ohio Ethics Commission, including the requirement to file an annual financial disclosure statement. To pay for the performance of the Ethics Commission's casino-related duties, Section 20 of Am. Sub. S.B. 181 of the 128th General Assembly appropriated \$250,000 in FY 2011 from the Casino Control Commission Operating Fund (Fund 5HS0) to line item 146602, Casino Investigation. Section 285.10 of Am. Sub. H.B. 153 contains a temporary law provision that reappropriates the unexpended, unencumbered balance of that appropriation at the end of FY 2011 to the same line item for FY 2012 to be used for the performance of the Ethics Commission's casino-related duties.

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
ETH Ethics Commission								
GRF	146321	Operating Expenses	\$ 1,470,954	\$ 1,462,222	\$ 1,409,751	-3.59%	\$ 1,409,751	0.00%
General Revenue Fund Total			\$ 1,470,954	\$ 1,462,222	\$ 1,409,751	-3.59%	\$ 1,409,751	0.00%
4M60	146601	Operating Expenses	\$ 515,827	\$ 641,617	\$ 827,393	28.95%	\$ 827,393	0.00%
General Services Fund Group Total			\$ 515,827	\$ 641,617	\$ 827,393	28.95%	\$ 827,393	0.00%
Ethics Commission Total			\$ 1,986,781	\$ 2,103,839	\$ 2,237,144	6.34%	\$ 2,237,144	0.00%