

Ethics Commission

OVERVIEW

The Ohio Ethics Commission (ETH) administers, interprets, and enforces ethical conduct in government under Ohio Ethics Law, Chapter 102 and related provisions of the Ohio Revised Code. The underlying mission of the Commission is to promote and enforce ethical conduct throughout state and local government through impartial and responsive education, advice, investigation, and financial disclosure processes. To fulfill its mission, the Commission has improved educational and informational access to thousands of public servants to create a baseline understanding of Ethics Law. The Ethics Commission consists of six members who are appointed by the Governor and confirmed by the Senate. The political affiliation of the commission is equally divided between the two major parties.

Day-to-day administration of Commission activities is the responsibility of the Executive Director and a staff of twenty-two. Commission staff responsibilities fall into four general categories: public information; advisory opinions; investigations and referrals for prosecution; and financial disclosure. Including most state agencies and political subdivisions, about 18,700 elected officials and 590,000 employees statewide fall under the Commission's jurisdiction.

The Ohio Ethics Commission has seen an increase in training and educational sessions including a record demand for 151 separate education sessions in FY 2000. The Commission is also seeing an increase in responsive guidance and written advice requests.

Total funding is increased by \$43,444 in FY 2002 (2.6% above FY 2001) and by \$112,350 in FY 2003 (6.6% above FY 2002). GRF funding is increased by \$20,724 in FY 2002 (1.6% above FY 2001) and by \$89,292 in FY 2003 (6.7% above FY 2002).

ADDITIONAL FACTS AND FIGURES

Staffing Levels

Ethics Commission Staffing Levels						
Functional Areas	1998	1999	2000	2001	Estimated	
					2002	2003
Advice	4	3	4	4	4	4
Education	2	2	2	2	2	2
Financial Disclosure	3	3	3	3	3	3
Investigation	7	7	8	8	8	8
Office Administration	5	5	5	5	5	5
Totals	21	20	22	22	22	22

*Office Administration includes the Executive Director

*Recommend core budget funding may result in the loss of one Advisory Attorney position from the Advice Functional Area

Filing fee revenue (Non-GRF Revenue)

The Commission receives filing fees with all financial disclosure filings required of elected officials and certain public officials under the Ohio Revised Code. In addition, the Commission receives fine moneys for late filings. The fine is one-half of the filing fee per day, with a maximum fine of one hundred dollars. The vast majority of filers begin to file in February of each year, with the peak number of filings received in April at the filing deadline.

Currently, the Commission funds four staff positions from non-GRF revenue. In the past, non-GRF revenue has also been used to pay for information systems purchases, salaries for the Chief Advisory Counsel, Advisory Attorney and Office Assistant; printing services; conference and training expenses; and equipment purchases.

Statutory Financial Disclosure Filing Fees Received by the Ethics Commission	
Office (excluding judicial offices)	Statutory Filing Fee
Statewide (excluding legislators)	\$50
County	\$25
City	\$10
State Board of Education	\$10
School Board/ Educational Service Center	\$5
State employees, Boards and Commission members	\$25
College and University Trustees	\$25
Voluntary Filers	\$25

Agency Statistics

- Telephone advisory guidance has increased by 19% between FY 1999 and 2000
- Written advisory opinions have increased 110% from 1997 to 2001
- Advisory requests have increased 40% from 1999 to 2000
- Conducted 845 education programs since changes in Ethics Law in 1994
- Since 1998, 22% increase in educational presentations
- In FY 2000, 151 educational programs conducted, 42% outside Franklin County
- Processing of 10,500 Financial Disclosure Statements each year

ANALYSIS OF EXECUTIVE PROPOSAL

Ohio Ethics Commission

Single Program Series Agency

Purpose The Ethics Commission (ETH) administers, interprets, and enforces ethical conduct in government under the Ohio Ethics Law, Chapter 102 and related provisions of the Ohio Revised code.

The following table shows the line items that are used to fund this agency, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	146-321	Operating Expenses	\$1,325,713	\$1,415,005
4M6	146-601	Ohio Ethics Commission	\$386,485	\$409,543
Total funding: Ohio Ethics Commission			\$1,712,198	\$1,824,548

Ethics Commission

Agency Description: The Ethics Commission (ETH) administers, interprets, and enforces ethical conduct in government under the Ohio Ethics Law, Chapter 102 and related provisions of the Ohio Revised Code. The Ohio Ethics Commission is required by statute to perform the following five major functions, on behalf of 18,700 elected office holders and 590,000 public employees, and all private sector parties who have regulative or business dealings with these public servants and the general public:

- Education and Public Information – R.C. 102.08
- Advisory Opinions – R.C. 102.08
- Investigation – R.C. 102.06
- Financial Disclosure – R.C. 102.02
- Legislation – R.C. 102.08

The Ethics Commission is a bipartisan commission comprised of six members who are appointed by the Governor and confirmed by the Ohio Senate. Members serve staggered, six-year terms. Commission members receive compensation of \$75 per meeting, not to exceed \$1,200 per calendar year, plus reimbursement for expenses. On average the Commission meets ten times per year. Additional subcommittee meetings occur periodically (investigation subcommittee and advisory committee).

In FY 1998, the Commission received 98 conflict of interest complaints, pursued nearly 200 late filing complaints, and issued 40 advisory opinions. In 2000, the Commission conducted 151 separate educational sessions for elected office holders and public employees. On average, the Commission processes about 10,500 financial disclosure forms per year.

Funding Source: Primarily GRF and financial disclosure filing fees. A small amount of funding is from penalties / restitution and a one-time occurrence of conference grant / registration fees.

Implication of the Executive Recommendation: The governor's recommendation provides for a continuation of core GRF funding, but decreased core GSF funding and provides limited funding for specific Supplemental requests.

The governor decreased the requested core GSF funding level by \$11,599 in FY 2002 and \$11,889 in FY 2003, for a core biennium decrease of \$23,488.

Core budget funding may not support personnel costs for current staff. The recommendation will not provide Supplemental funding for two additional staff positions (Educational Trainer and Advisory Attorney); and the recommendation will not provide the Commission funds for computer consulting expenses for the online filing alternative for financial disclosure statements.

The recommended core budget funding may result in the loss of one Advisory Staff Attorney. Currently, the Commission employs three staff attorneys. Reduction of one advisory staff attorney may decrease production by 30-35%, allowing fewer responses and extending response turnaround time. Furthermore, as a result of the possible reduction, staff might not be able to respond to the increasing number of requests submitted in a given year.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

There are no permanent and temporary law provisions for the next biennium.

REQUESTS NOT FUNDED

General Revenue Fund & General Services Fund						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 146-321	\$1,282,976	\$1,282,976	(0)	\$1,355,127	\$1,355,060	(\$67)
GSF 146-601	\$392,441	\$380,842	(\$11,599)	\$414,845	\$402,956	(\$11,889)
TOTAL	\$1,675,417	\$1,663,818	(\$11,599)	\$1,769,972	\$1,758,016	(\$11,956)

Supplemental Requests						
Supplemental Requests	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
S01	\$119,441	\$48,380	(\$71,061)	\$144,040	\$66,532	(\$77,508)
S02	\$40,000	\$0	(\$40,000)	\$43,000	\$0	(\$43,000)
S03	\$0	\$0		\$50,000	\$0	(\$50,000)
S04	\$0	\$0		\$12,000	\$0	(\$12,000)
TOTAL	\$159,441	\$48,380	(\$111,061)	\$249,040	\$66,532	(\$182,508)

The Ohio Ethics Commission requests a total budget of \$1,834,858 for FY 2002 and \$2,019,012 for FY 2003. The budget request increases both GRF and the Commission's operating fund (4M6) by approximately 10% each fiscal year, and includes four Supplemental Requests.

The Executive fully funded the core GRF request in FY 2002 with a slight reduction in FY 2003 of \$67. The request for the GSF fund group fell short by \$11,599 and \$11,889 in FY 2002 and FY 2003, respectively. None of the supplemental requests were fully funded. Comparing all supplemental requests for the biennium the executive recommended \$114,912 while the agency requested \$408,481.

1. The first Supplemental request (**S01**) seeks additional GRF 4M6 funding (not provided by the CBL) to retain existing staff and support the ongoing operations of the Commission. The executive partially funded the supplemental request for maintenance of existing staff and continuing operations (S01). This supplemental request was short by \$71,061 in FY 2002 and \$77,508 in FY 2003.
2. The second Supplemental request (**S02**) seeks GRF funding in each fiscal year for a Training position that was dropped from the Table of Organization two years ago, and which would be used for the commission's continued education effort. This request did not receive recommended funding by the executive.
3. The third Supplemental request (**S03**) seeks funding beginning in FY 2003 for an Advisory Staff Attorney position to maintain the Commission's ability to continue its focus on providing timely response to advisory requests, and to support the increasing demand for online and telephone advice. The executive did not recommend any funding for this request.

4. The fourth Supplemental request (*S04*) seeks funding to help support the cost of personal services of an outside computer programming and/or consultant to assist in the design of a computerized, online filing alternative for those who must file financial disclosure statements. No funding is recommended by this executive for this request.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2000</i>	<i>Estimated 2001</i>	<i>Executive 2002</i>	<i>% Change 2001 to 2002</i>	<i>Executive 2003</i>	<i>% Change 2002 to 2003</i>
<i>ETH Ethics Commission</i>								
GRF	146-321	Operating Expenses	\$ 1,269,579	\$1,304,989	\$ 1,325,713	1.6%	\$ 1,415,005	6.7%
General Revenue Fund Total			\$ 1,269,579	\$ 1,304,989	\$ 1,325,713	1.6%	\$ 1,415,005	6.7%
4M6	146-601	Operating Expenses	\$ 280,511	\$363,766	\$ 386,485	6.2%	\$ 409,543	6.0%
General Services Fund Group Total			\$ 280,511	\$ 363,766	\$ 386,485	6.2%	\$ 409,543	6.0%
<i>Total All Budget Fund Groups</i>			\$ 1,550,090	\$ 1,668,755	\$ 1,712,198	2.6%	\$ 1,824,548	6.6%

General Revenue Fund

GRF 146-100 Personal Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$987,070	\$963,553	\$0	\$0	\$0	\$0
	-2.4%	-100.0%	N/A	N/A	N/A

Source: GRF

Legal Basis: ORC 102.05

Purpose: Was used to provide funds for payroll, fringe benefits, and purchased services. These costs are now funded through line item 146-321.

GRF 146-200 Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$205,324	\$208,539	\$0	\$0	\$0	\$0
	1.6%	-100.0%	N/A	N/A	N/A

Source: GRF

Legal Basis: ORC 102.05

Purpose: Was used to provide funds for maintenance costs. These costs are now funded through line item 146-321.

GRF 146-300 Equipment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$19,092	\$20,927	\$0	\$0	\$0	\$0
	9.6%	-100.0%	N/A	N/A	N/A

Source: GRF

Legal Basis: ORC 102.05

Purpose: Was used to provide funds for new and replacement equipment. These costs are now funded through line item 146-321.

GRF 146-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$1,269,579	\$1,304,989	\$1,325,713	\$1,415,005
	N/A	N/A	2.8%	1.6%	6.7%

Source: GRF

Legal Basis: ORC 102.05

Purpose: To pay personnel, maintenance, and equipment costs for the Commission. These costs were previously funded through line items 146-100 Personal Services; 146-200 Maintenance; and 146-300 Equipment.

General Services Fund Group

4M6 146-601 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$114,125	\$172,679	\$280,511	\$363,766	\$386,485	\$409,543
	51.3%	62.4%	29.7%	6.2%	6.0%

Source: GSF: Financial disclosure filing fees and late filing penalties from public officials.

Legal Basis: ORC 102.02 (G)(2) (established by Am. Sub. H.B. 285 of the 120th G.A.)

Purpose: To supplement GRF funding for operations of the Commission