

# Joint Legislative Ethics Committee

---

## OVERVIEW

The Joint Legislative Ethics Committee (JLEC) was established to monitor compliance with Ohio's Ethics Law as it applies to the Legislative Branch. JLEC is authorized to interpret and enforce the Ethics Law's provisions, receive and review Financial Disclosure Statements and render Advisory Opinions on ethical issues raised by officials and employees of the Ohio General Assembly.

JLEC is comprised of twelve members of the General Assembly. Six members of JLEC are members of the House of Representatives appointed by the Speaker of the House. Six members are members of the Senate, appointed by the President of the Senate. Each appointed member of JLEC serves during his or her term with the General Assembly.

The Committee investigates violations of the Ethics Law and can impose civil penalties or refer matters for criminal prosecution. To accomplish these tasks, the Committee is authorized to promulgate rules and regulations, to administer oaths and affirmations, subpoena witnesses and compel their attendance and require the production of documents and records. The Committee is statutorily mandated to provide a program of continuing education and information concerning the ethics law and related statutes and may recommend legislation relating to ethics, conflicts of interest, and financial disclosure.

The Committee staff is known as the Office of the Legislative Inspector General (OLIG) and is responsible for the actual implementation of the provisions of the Ethics and Lobbying Laws and administers legislative agent registrations and filings. OLIG also publishes a newsletter, *The Inspector*. The purpose of the newsletter is to disseminate information which provides answers to lobbyist questions, sets forth and explains advisory opinions which impact lobbying activity, and provides a general forum for issues and information of general concern and interest.

Total funding is proposed at \$639,000 for FY 2002 (3.2% increase above FY 2001) and \$662,000 for FY 2003 (3.6% increase above FY 2002). GRF funding is increased by \$19,600 in FY 2002 (3.4% increase above FY 2001) and by \$23,000 in FY 2003 (3.9% above FY 2002).

## ADDITIONAL FACTS AND FIGURES

Joint Legislative Ethics Committee - Staffing Levels						
Legislative Inspector General	1998	1999	2000	2001	Estimated	
					2002	2003
Full-time staff*	6	6	6	6	6	6
<b>Totals</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

\*Positions include the Executive Director, Administrative Assistant, Chief Legal Counsel, Executive Secretary, Data Entry Clerk, and Financial Disclosure Clerk. The OLIG plans to employ the same number of employees in the same positions for the 2001-2003 biennium.

### Filing fee revenue (Non-GRF Revenue)

The Joint Legislative Ethics Committee (JLEC) collects filing fee revenue from a) legislators filing financial disclosure forms required under Ohio Revised Code Section 102.02, and b) lobbyist registration. However only filing fee revenue from lobbyists goes toward the Committee's budget. Revenue from financial disclosure filings goes to the General Revenue Fund.

Executive Agency lobbyists must register every year with the Committee. Legislative lobbyists have to register with JLEC every two years, at the start of each new General Assembly. As of 12/31/00, there were 2,074 lobbyists registered with the OLIG. This is the approximate number of lobbyists expected to re-register for the 2001 year. All lobbyists must report on their lobbying activities and expenses three times per year in January, May and September. In addition, all employers of lobbyists must report their expenses to the Committee the same three times a year as the lobbyists.

Lobbyists and their employers are charged \$10 for the initial registration filing. The bulk of filing fee revenue is received in odd-numbered years when all lobbyists must register. There is no fee for updating registration information or for the expenditure reports that are required to be filed three times per year. The Committee cannot charge a late fee for late registration filings. The only recourse for the committee in the event of chronic delinquencies is the referral of those matters to the appropriate prosecuting authority.

### Estimated Non-GRF filing fee revenue

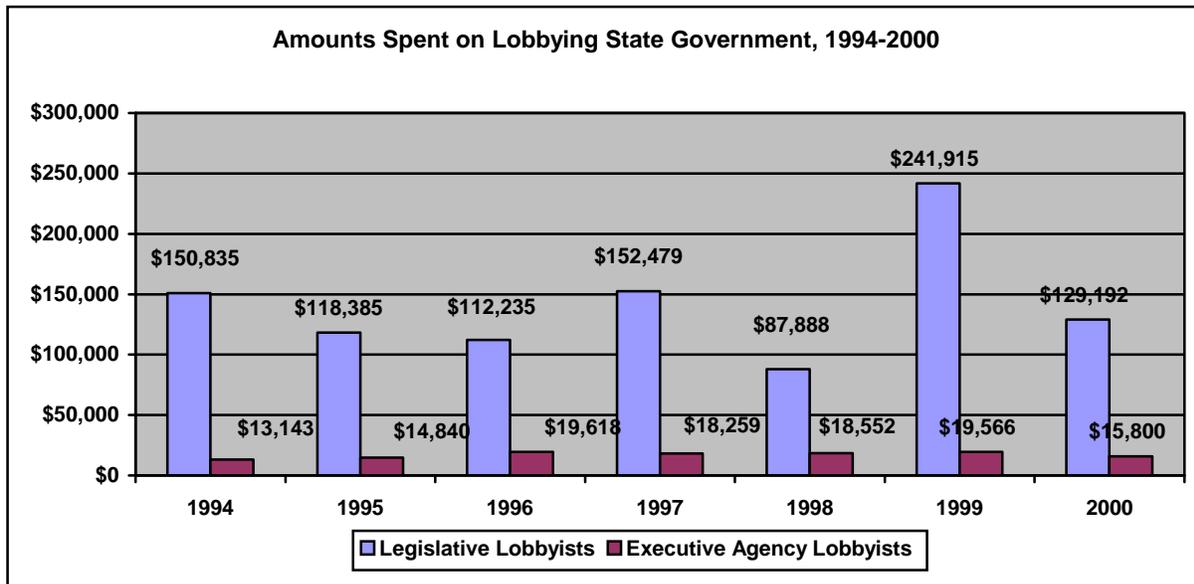
Fiscal Year	Fee Revenue
2000	\$32,892 actual
2001	\$45,000 estimated
2002	\$25,000 estimated
2003	\$45,000 estimated

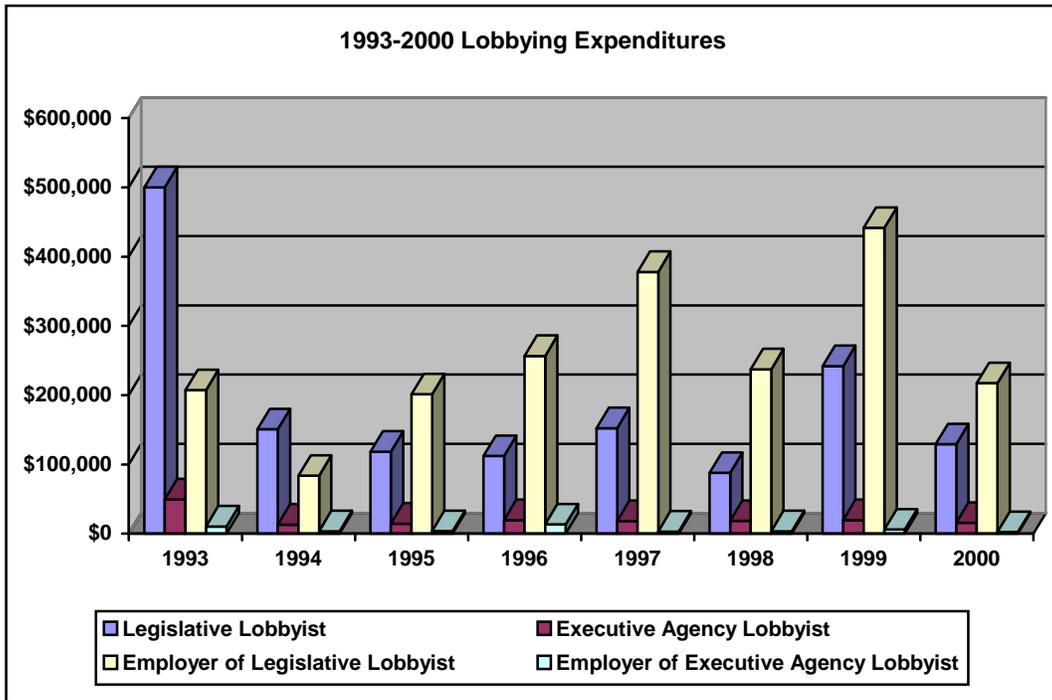
## On-Line Financial Disclosure and Lobbyist Registration/Expenditures

All financial disclosure and lobbyist registration and expenditure forms are now on-line. These forms are for current years and historic years back to 1993, which was the first year the Office of the Legislative Inspector General was formed. The computerization of lobbyist forms has advanced to the point where all registration and update reporting forms are pre-printed with appropriate lobbyist names and addresses and all employer names and addresses. This has greatly simplified the lobbyist reporting procedure. These forms are also identified by a bar-code which makes the internal processing of the forms quicker and more accurate. The OLIG is implementing the Optical Character Recognition (OCR) equipment, a.k.a. scanning, as the next step to automating the forms processing.

### Lobbyist Expenditures

The table below shows the amounts that executive and legislative lobbyists reported spending during the past seven years, executive and legislative lobbyists combined have spent an average annual amount of \$111,270. Over the past seven years legislative lobbyists have spent a total of \$992,929 and executive agency lobbyists spent a total of \$119,778. On average, legislative lobbyists have spent eight times the amount that executive agency lobbyists have spent.





## ANALYSIS OF EXECUTIVE PROPOSAL

### JOINT LEGISLATIVE ETHICS

Single Program Agency

**Purpose** The Joint Legislative Ethics Committee (JLE) was established to monitor compliance with Ohio's Lobbying Law and Ohio's Ethics Law as it applies to the Legislative Branch.

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	028-321	Legislative Ethics Committee	\$589,000	\$612,000
4G7	028-601	Joint Legislative Ethics Committee	\$50,000	\$50,000
<b>Total funding: Joint Legislative Ethics Committee</b>			<b>\$639,000</b>	<b>\$662,000</b>

#### **Joint Legislative Ethics Committee**

**Agency Description:** The Office of the Legislative Inspector General (OLIG) is responsible for the day-to-day administration of the Committee's duties and activities and is accountable to the Committee. OLIG has six employees, including the Legislative Inspector General, an administrative assistant, legal counsel, an executive secretary, a data entry clerk, and a financial disclosure clerk.

Established in May 1994, the Committee operates under the authority of Ohio Revised Code Sections 101.34, 101.70 to 101.99; Chapter 102; 121.60 to 121.69, 121.99; and 2921.01, 2921.42, and 2921.43.

The Committee is authorized to interpret and enforce the Ethics Law, receive and review financial disclosure statements, and render advisory opinions on ethical issues raised by officials and employees of the Ohio General Assembly. In 1999, JLEC issued two advisory opinions, one written opinion, and twenty-one informal letters. In 2000, JLEC issued six advisory opinions, no written opinions, and twenty-one informal letters.

The Committee also investigates violations of the Ethics Law and can impose civil penalties or refer matters for criminal prosecution. In 1999, seven investigations were initiated involving members and one complaint was filed. In 2000, six investigations were initiated involving members and one complaint was filed. To accomplish its mission, the Committee is authorized to promulgate rules and regulations, to administer oaths and affirmations, subpoena witnesses and compel their attendance, and require the production of documents and records.

The Committee also enforces the Legislative Code of Ethics and the House and Senate Rules, which are applicable only to members and employees of the General Assembly. The Committee has jurisdiction over members and employees of, and candidates for, the General Assembly, and employees of the Legislative Service Commission.

In addition to regulating those under its jurisdiction with respect to the Ethics Laws and related statutes, the Committee is also responsible for administering Ohio's Lobbying Laws. The Committee reviews lobbyists' registration, expenditure, and financial transaction statements, and investigates violations of Ohio Revised Code Chapters 101 and 121.

***Funding Source:*** GRF and registration filing fees from lobbyists

***Line Items:*** 028-321 and 028-601

***Implication of the Executive Recommendation:*** The Governor's recommendation would permit the Joint Legislative Ethics Committee and the Office of the Legislative Inspector General (OLIG) to fulfill their statutory duties and continue their activities at current levels. This funding level will also cover personnel costs.

With the recommended funding OLIG will be able to continue their initiative toward making information and forms available to lobbyists and employers of lobbyists. Moreover, to help the office run more effectively OLIG is working toward using computerized technology to scan lobbyist information. Scanning the information into a database will allow for better form updating procedures and indexing.

Recommended funding also permits OLIG to allocate \$50,000 in the budget from GRF for unexpected costs incurred as a result of extraordinary investigative activity. There is no way to anticipate whether or not such an effort will be necessary in the future. Since OLIG investigations are confidential by law, it was felt that funds should be available to conduct investigative activity without the necessity of coming to the General Assembly for funds. The money is returned to the GRF in the event no such extraordinary activity is necessary. Usually such activity is the result of one or two cases that are particularly complex, therefore requiring significantly above average expenses to investigate.

## 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 or temporary law provisions with fiscal effects on this agency.

## REQUESTS NOT FUNDED

The Joint Legislative Ethics Committee's budget request was fully funded.

As required by section 107.03(B) of the Ohio Revised Code, The Governor has made no alterations to the funding requests of agencies of the legislative branch of government. Recommended amounts are as requested by the agency.

## 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>
<b><i>JLE Joint Legislative Ethics Committee</i></b>								
GRF	028-321	Legislative Ethics Committee	\$ 458,329	\$569,400	\$ 589,000	3.4%	\$ 612,000	3.9%
<b>General Revenue Fund Total</b>			<b>\$ 458,329</b>	<b>\$ 569,400</b>	<b>\$ 589,000</b>	<b>3.4%</b>	<b>\$ 612,000</b>	<b>3.9%</b>
4G7	028-601	Jt Legislative Ethics Committee	\$ 50,069	\$50,000	\$ 50,000	0.0%	\$ 50,000	0.0%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 50,069</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>0.0%</b>	<b>\$ 50,000</b>	<b>0.0%</b>
<b><i>Total All Budget Fund Groups</i></b>			<b>\$ 508,398</b>	<b>\$ 619,400</b>	<b>\$ 639,000</b>	<b>3.2%</b>	<b>\$ 662,000</b>	<b>3.6%</b>

## General Revenue Fund

### GRF 028-321 Legislative Ethics Committee

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$483,263	\$402,438	\$458,329	\$569,400	<b>\$589,000</b>	<b>\$612,000</b>
	-16.7%	13.9%	24.2%	<b>3.4%</b>	<b>3.9%</b>

*Source:* GRF

*Legal Basis:* ORC 101.34(C) (established by Am. Sub. H.B. 492 of the 120th G.A. in 1993)

*Purpose:* To pay personnel, maintenance, and equipment costs for the agency

## State Special Revenue Fund Group

### 4G7 028-601 Jt Legislative Ethics Committee

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$18,754	\$34,451	\$50,069	\$50,000	<b>\$50,000</b>	<b>\$50,000</b>
	83.7%	45.3%	-0.1%	<b>0.0%</b>	<b>0.0%</b>

*Source:* SSR: Registration fees paid by lobbyists and their employers

*Legal Basis:* ORC 101.34(C) (established by Am. Sub. H.B. 492 of the 120th G.A. in 1993)

*Purpose:* To pay for purposes related to upgrades to computers, data storage and the computerization of lobbyist registration