

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**Joint Legislative Ethics Committee**

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**ATTACHMENTS:**

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

# Joint Legislative Ethics Committee

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- Flat-funding for biennium
- Continuation budget

## OVERVIEW

### Agency Overview

The Joint Legislative Ethics Committee (JLEC) was created to serve the General Assembly and is charged with two primary responsibilities: (1) to administer the laws regarding ethics that relate to members and employees of the General Assembly and (2) to administer Ohio's lobbying laws governing the registration and reporting requirements of legislative agents, executive agency lobbyists, and their employers. Specific duties of JLEC include, but are not limited to, the following:

- Establishing and enforcing a standard code of ethics;
- Receiving and hearing complaints alleging breaches of privilege, misconduct, or ethics violations;
- Investigating and conducting hearings with respect to any complaint;
- Recommending appropriate sanctions for violators of the ethics code;
- Acting as an advisory body on questions relating to ethics, conflicts of interest, and financial disclosure;
- Conducting training sessions regarding ethics or lobbying regulations;
- Administering the annual financial disclosure forms of legislative officials and staff;
- Administering legislative, retirement system, and executive agency lobbyist registrations and filings; and
- Administering the post employment disclosure law.

JLEC is a 12-member legislative committee, which is assisted in its duties by the Office of the Legislative Inspector General (OLIG). The Speaker of the House of Representatives and the President of the Senate each appoint six members from their respective chambers to serve on the legislative committee, with not more than three being from the same political party. OLIG consists of the Legislative Inspector General and five other full-time staff. As of February 11, 2009, one of these full-time positions was vacant, but a spokesperson for OLIG expects the position to be filled before the end

of the fiscal year. OLIG has operated with a total of six employees since the office was created in 1994.

### Appropriation Overview

The executive branch of the state of Ohio has limited authority over the biennial operating budgets and associated permanent and temporary law of legislative agencies. Division (B) of section 107.03 of the Revised Code states that "no alterations shall be made in the [budget] requests for the legislative and judicial branches of the state filed with the director of budget and management . . . ." Therefore, the Governor has made no alterations to the budget request submitted by JLEC.

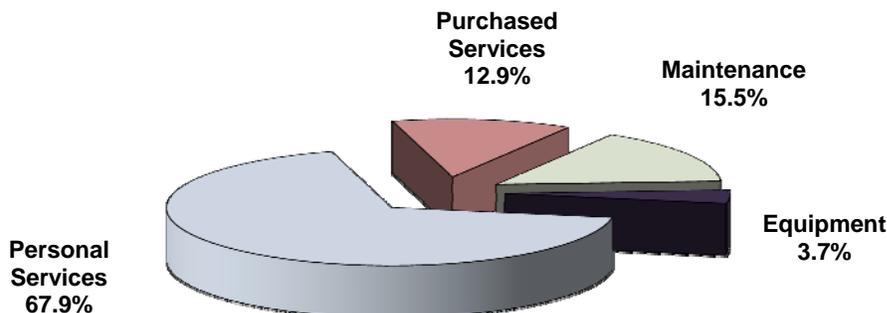
JLEC requested flat funding totaling \$650,000 for each fiscal year of the next biennium, with the expectation that at that level of funding it will be able to continue to deliver the level of services currently being provided in FY 2009. Table 1 below shows the executive budget for JLEC by fund group. As the table shows, 84.6% of the executive budget for JLEC comes from the GRF. The remaining 15.4% comes from the General Services Fund Group.

Table 1. Executive Budget by Fund Group					
Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$550,000	\$550,000	0.0%	\$550,000	0.0%
General Services	\$100,000	\$100,000	0.0%	\$100,000	0.0%
<b>TOTAL</b>	<b>\$650,000</b>	<b>\$650,000</b>	<b>0.0%</b>	<b>\$650,000</b>	<b>0.0%</b>

\*FY 2009 figures represent adjusted appropriations.

Chart 1 below presents the total recommended appropriations (FY 2010 and FY 2011 combined) by major object of expense. JLEC spends 67.9% of its budget on personal services. The next largest spending category is maintenance at 15.5%, followed by purchased services at 12.9%, and equipment at 3.7%.

Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2010-FY 2011



## ANALYSIS OF EXECUTIVE PROPOSAL

The following table shows the appropriation in the executive proposal for each appropriation item in JLEC's budget in each fiscal year of the biennium.

Funding for the Joint Legislative Ethics Committee				
Fund		ALI and Name	FY 2010	FY 2011
<b>General Revenue Fund</b>				
GRF	028321	Legislative Ethics Committee	\$550,000	\$550,000
<b>General Revenue Fund Subtotal</b>			<b>\$550,000</b>	<b>\$550,000</b>
<b>General Services Fund Group</b>				
4G70	028601	Joint Legislative Ethics Committee	\$100,000	\$100,000
<b>General Services Fund Group Subtotal</b>			<b>\$100,000</b>	<b>\$100,000</b>
<b>Total Funding: Joint Legislative Ethics Committee</b>			<b>\$650,000</b>	<b>\$650,000</b>

### Joint Legislative Ethics Committee (028321 and 028601)

JLEC's budget consists of two line items that together support the operating expenses of the agency. Revenues deposited into General Services Fund 4G70 include registration fees (\$25) and late filings fees (\$12.50 per day, maximum of \$100) charged to legislative agents, executive agency lobbyists, retirement system lobbyists, and their employers and also any interest and earnings from the fund.

According to JLEC, the recommended level of funding will allow the agency to continue to provide the same level of services as provided in FY 2009. This includes maintenance of the new Ohio Lobbying Activity Center (OLAC), an online filing system that was launched on December 15, 2008. This system allows registered lobbyists and their employers to electronically register and to file required reports. OLAC also serves as a searchable database providing public access to all disclosed information provided by lobbyists and employers.

JLE.docx / th

## General Revenue Fund

### GRF 028321 Legislative Ethics Committee

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$516,244	\$469,109	\$412,040	\$550,000	<b>\$550,000</b>	<b>\$550,000</b>
	-9.1%	-12.2%	33.5%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 319.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 492 of the 120th G.A.)

**Purpose:** This line item funds the operating expenses of the Office of the Legislative Inspector General, which assists the Joint Legislative Ethics Committee in performing its duties to administer the laws regarding ethics that relate to members and employees of the General Assembly and to administer Ohio's lobbying laws governing the registration and reporting requirements of legislative agents, executive agency lobbyists, and their employers.

## General Services Fund Group

### 4G70 028601 Joint Legislative Ethics Committee

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$0	\$42,801	\$92,046	\$100,000	<b>\$100,000</b>	<b>\$100,000</b>
	N/A	115.1%	8.6%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: (1) Registration fee of \$25 charged each legislative agent, executive agency lobbyist, and retirement system lobbyist and their employer when filing an initial registration statement, (2) late filing fee assessed against legislative agent, executive agency lobbyist, retirement system lobbyist, or employer (\$12.50 per day, up to a maximum fee of \$100), and (3) any interest and earnings from the fund

**Legal Basis:** ORC 101.34; Section 319.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 492 of the 120th G.A.)

**Purpose:** This line item funds the operation of the Joint Legislative Ethics Committee and the Office of the Legislative Inspector General and the purchase of data storage and computerization facilities for legislative agent, executive agency lobbyist, and retirement system lobbyist expenditure statements.

## LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
<b><i>JLE Joint Legislative Ethics Committee</i></b>								
GRF	028321	Legislative Ethics Committee	\$ 412,040	\$ 550,000	\$ 550,000	0.0%	\$ 550,000	0.0%
<b>General Revenue Fund Total</b>			<b>\$ 412,040</b>	<b>\$ 550,000</b>	<b>\$ 550,000</b>	<b>0.0%</b>	<b>\$ 550,000</b>	<b>0.0%</b>
4G70	028601	Joint Legislative Ethics Committee	\$ 92,046	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 92,046</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>0.0%</b>	<b>\$ 100,000</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 504,086</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>	<b>0.0%</b>	<b>\$ 650,000</b>	<b>0.0%</b>