

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**Joint Legislative Ethics Committee**

Edward Millane, Senior Budget Analyst  
Legislative Service Commission

February 2013

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## **ATTACHMENTS:**

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

# Joint Legislative Ethics Committee

- GRF flat-funding for biennium
- 50% increase in Fund 4G70 in FY 2014 to cover OLAC maintenance.

## 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 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. 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.

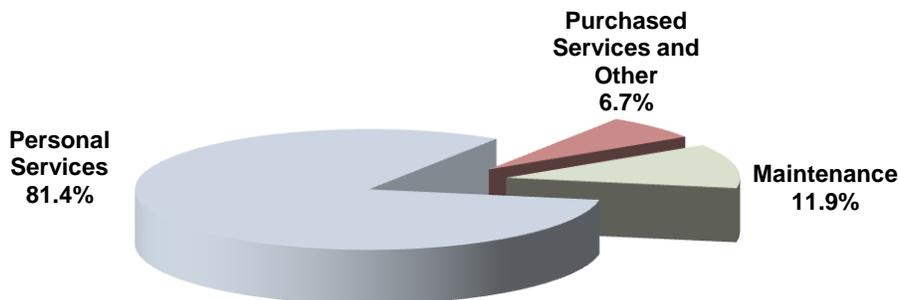
JLEC requested funding totaling \$700,000 for each fiscal year of the next biennium, with the expectation that at that level of funding it will be able to continue to deliver the level of services currently being provided in FY 2013. Table 1 below shows the executive budget for JLEC by fund group. As the table shows, 78.6% of the executive budget for JLEC comes from the GRF. The remaining 21.4% comes from the General Services Fund (GSF) Group. JLEC expects to use the requested 50.0% increase in GSF funds in FY 2014 for continued maintenance, expanded storage, and improved functionality of the Ohio Lobbying Activity Center (OLAC), described below in more detail.

Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Revenue	\$550,000	\$550,000	0.0%	\$550,000	0.0%
General Services	\$100,000	\$150,000	50.0%	\$150,000	0.0%
<b>TOTAL</b>	<b>\$650,000</b>	<b>\$700,000</b>	<b>7.7%</b>	<b>\$700,000</b>	<b>0.0%</b>

\*FY 2013 figures represent estimated expenditures.

Chart 1 below presents the total recommended appropriations (FY 2014 and FY 2015 combined) by major object of expense. JLEC spends 81.4% of its budget on personal services. The next largest spending category is maintenance at 11.9%, followed by purchased services and other at 6.7%.

**Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2014-FY 2015**



## 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 2014	FY 2015
<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	\$150,000	\$150,000
<b>General Services Fund Group Subtotal</b>			<b>\$150,000</b>	<b>\$150,000</b>
<b>Total Funding: Joint Legislative Ethics Committee</b>			<b>\$700,000</b>	<b>\$700,000</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 2013. As mentioned in the "Appropriation Overview" section, the proposed increase in funds for GSF Fund 4G70 appropriation item 028601, Joint Legislative Ethics Committee, in FY 2014 will allow for the continued maintenance, expanded storage, and improved functionality of the 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.

## Joint Legislative Ethics Committee

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### General Revenue Fund

#### **GRF 028321 Legislative Ethics Committee**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$475,410	\$516,707	\$531,535	\$550,000	<b>\$550,000</b>	<b>\$550,000</b>
	8.7%	2.9%	3.5%	<b>0.0%</b>	<b>0.0%</b>

**Source:** General Revenue Fund

**Legal Basis:** Section 321.10 of Am. Sub. H.B. 153 of the 129th 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**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$181,368	\$53,150	\$58,436	\$100,000	<b>\$150,000</b>	<b>\$150,000</b>
	-70.7%	9.9%	71.1%	<b>50.0%</b>	<b>0.0%</b>

**Source:** General Services Fund Group: Registration fee (\$25) and late filing fee (\$12.50 per day, up to a maximum fee of \$100) paid by legislative agents, executive agency lobbyists, retirement system lobbyists, or their employers plus any interest and earnings from the fund

**Legal Basis:** ORC 101.34; Section 321.10 of Am. Sub. H.B. 153 of the 129th 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, 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.

# FY 2014 - FY 2015 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>JLE Joint Legislative Ethics Committee</b>								
GRF	028321	Legislative Ethics Committee	\$ 531,535	\$ 550,000	\$ 550,000	0.00%	\$ 550,000	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 531,535</b>	<b>\$ 550,000</b>	<b>\$ 550,000</b>	<b>0.00%</b>	<b>\$ 550,000</b>	<b>0.00%</b>
4G70	028601	Joint Legislative Ethics Committee	\$ 58,436	\$ 100,000	\$ 150,000	50.00%	\$ 150,000	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 58,436</b>	<b>\$ 100,000</b>	<b>\$ 150,000</b>	<b>50.00%</b>	<b>\$ 150,000</b>	<b>0.00%</b>
<b>Joint Legislative Ethics Committee Total</b>			<b>\$ 589,972</b>	<b>\$ 650,000</b>	<b>\$ 700,000</b>	<b>7.69%</b>	<b>\$ 700,000</b>	<b>0.00%</b>