

**Greenbook**  
**LBO Analysis of Enacted Budget**  
**Joint Legislative Ethics Committee**

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**July 2021**

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# LBO Greenbook

## Joint Legislative Ethics Committee

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### Quick look...

- The Joint Legislative Ethics Committee (JLEC) administers ethics laws related to members and employees of the General Assembly and lobbying laws related to legislative agents and executive agency lobbyists.
- JLEC is a 12-member joint legislative committee, which is assisted in its duties by the Office of the Legislative Inspector General (OLIG).
- OLIG consists of six full-time staff, including the Legislative Inspector General.
- Biennial appropriation of \$1.6 million: \$785,000 in FY 2022 and FY 2023.
  - Funding sources: GRF (80%), Dedicated Purpose Fund (DPF) Group (20%).

| Fund Group          | FY 2020<br>Actual | FY 2021<br>Actual | FY 2022<br>Appropriation | FY 2023<br>Appropriation |
|---------------------|-------------------|-------------------|--------------------------|--------------------------|
| General Revenue     | \$541,318         | \$541,770         | \$625,000                | \$625,000                |
| Dedicated Purpose   | \$140,833         | \$160,376         | \$160,000                | \$160,000                |
| Total               | \$682,151         | \$702,146         | \$785,000                | \$785,000                |
| % change            | --                | 2.9%              | 11.8%                    | 0.0%                     |
| <i>GRF % change</i> | --                | <i>0.1%</i>       | <i>15.4%</i>             | <i>0.0%</i>              |

### Agency overview

The Joint Legislative Ethics Committee (JLEC) primarily administers: (1) ethics laws that relate to members and employees of the General Assembly and (2) lobbying laws governing the registration and reporting requirements of legislative agents, executive agency lobbyists, and their employers.

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 six full-time staff, including the Legislative Inspector General.

### Analysis of FY 2022-FY 2023 budget

#### Registration to be an agent or lobbyist

The budget amends permanent law to prevent occupational licensing provisions of H.B. 263 of the 133<sup>rd</sup> General Assembly, which take effect October 9, 2021, from applying to the registration to be a legislative agent, retirement system lobbyist, or executive agency lobbyist by:

- Specifying that JLEC is not an occupational licensing board and a registration to be a legislative agent, retirement system lobbyist, or executive agency lobbyist is not a license; and
- Allowing JLEC to continue to prohibit authorizing registration to persons convicted of specified offenses and automatically ban a person from serving as a legislative agent, retirement system lobbyist, or executive agency lobbyist if convicted of specified offenses.

## Operating expenses (ALIs 028321, 028601, and 028602)

| FY 2018<br>Actual  | FY 2019<br>Actual | FY 2020<br>Actual | FY 2021<br>Actual | FY 2022<br>Appropriation | FY 2023<br>Appropriation |
|--|-------------------|-------------------|-------------------|--------------------------|--------------------------|
| <b>GRF ALI 028321, Legislative Ethics Committee</b>                  |                   |                   |                   |                          |                          |
| \$520,603  | \$515,004         | \$541,318         | \$541,770         | \$625,000                | \$625,000                |
| % change   | -1.1%             | 5.1%              | 0.1%              | 15.4%                    | 0.0%                     |
| <b>Fund 4G70 ALI 028601, Joint Legislative Ethics Committee</b>      |                   |                   |                   |                          |                          |
| \$180,317  | \$175,301         | \$135,436         | \$150,376         | \$150,000                | \$150,000                |
| % change   | -2.8%             | -22.7%            | 11.0%             | -0.3%                    | 0.0%                     |
| <b>Fund 5HN0 ALI 028602, Investigations and Financial Disclosure</b> |                   |                   |                   |                          |                          |
| \$10,000   | \$10,000          | \$5,398           | \$10,000          | \$10,000                 | \$10,000                 |
| % change   | 0.0%              | -46.0%            | 85.3%             | 0.0%                     | 0.0%                     |

JLEC's three line items together support the operating expenses of the agency, including OLIG. The GRF provides 80%, or \$625,000, of JLEC's funding in each fiscal year. This funding is appropriated to line item 028321, Legislative Ethics Committee. The budget contains a temporary law provision that allows the Legislative Inspector General of the Committee to certify to the Director of Budget and Management an amount up to the unexpended, unencumbered balance of this line item at the end of FY 2021 to be reappropriated to FY 2022, and similarly, from FY 2022 to FY 2023.

The remaining 20%, or \$160,000, of the funding for JLEC consists of money appropriated from the Joint Legislative Ethics Fund (Fund 4G70) and the Joint Legislative Ethics Committee-Investigative Fund (Fund 5HN0).

Fund 4G70 revenue sources include: (1) \$25 as-needed registration statement fee paid by legislative agents, executive agency lobbyists, retirement system lobbyists, or their employers, (2) late filing fee (\$12.50 per day, up to a maximum fee of \$100), and (3) investment earnings. Legislative agent registrations expire December 31 of every even-numbered year, and executive and retirement lobbyist registrations expire January 31 of each year. From FY 2017 through FY 2021, annual revenues credited to Fund 4G70 averaged \$165,072.

Fund 5HN0 revenue sources include: (1) \$40 annual financial disclosure statement filing fee assessed members of, and candidates for, the General Assembly, and designated General Assembly and legislative agency staff (staff fee paid by employing state agency), (2) late filing fee

(\$10 per day, up to a maximum fee of \$250), and (3) investment earnings. From FY 2017 through FY 2021, annual revenues credited to Fund 5HNO averaged \$16,064.