

M E M O R A N D U M

April 29, 2022

TO: Government Operations and Fiscal Policy Committee
FROM: Craig Howard, Deputy Director
SUBJECT: **Ethics Commission FY23 Operating Budget**
PURPOSE: Make Committee recommendations for Council Consideration

Expected Participants:

- Robert Cobb, Director, Ethics Commission
- Julie Knight, Office of Management and Budget

Summary of FY23 Recommended Budget and Key Discussion Issues

| Ethics Commission | FY22 Approved | FY23 CE Recommended | Change from FY22 Approved |
|--------------------------|--------------------------|--------------------------------|--------------------------------------|
| General Fund | \$371,629 | \$375,756 | 1.1% |
| Personnel Costs | \$333,370 2.0 FTEs | \$337,462 2.0 FTEs | 1.2% -- |
| Operating Costs | \$38,259 | \$38,294 | -- |

Council staff recommendation:

- **Approve the FY23 budget for the Ethics Commission as proposed by the County Executive.**

A. FY23 Budget Overview

The Ethics Commission exercises authority granted to it under the Public Ethics Law to promote the public’s trust of County government and to ensure the impartiality of County employees, included elected officials, in the execution of their responsibilities.

The County Executive recommends an FY23 budget for the Ethics Commission of \$375,756, an increase of 1.1% from FY22 (©1-4). Personnel costs comprise 89% of the Ethics Commission budget. The small budget increase for FY23 reflects the net changes from FY22 and FY23 compensation and benefit increases and adjustments.

B. Program Summary

The Ethics Commission continues to ensure compliance with the Public Ethics law via the following functions:

- **Financial Disclosure:** The Ethics Commission administers the electronic filing system for reporting and coordinates with the Office of Human Resources and all County agencies regarding the status of filers.
- **Outside Employment:** The Public Ethics Law requires that County employees obtain approval from the Ethics Commission prior to engaging in any employment other than County employment. The Ethics Commission approves requests, as appropriate, setting conditions on approval as necessary to ensure compliance with ethics requirements, and staff notifies requestors by letter of the disposition of requests.
- **Lobbying:** The Public Ethics Law requires certain persons who spend or receive over \$500 to communicate with County officials and employees to register as lobbyists and to file semi-annual activity reports with the Ethics Commission.
- **Complaints, Investigations, and Hearings:** The Ethics Commission receives complaints and, as appropriate, conducts investigations, and/or hearings; makes findings; and imposes sanctions and penalties, if warranted.
- **Advisory Opinions, Waivers, and Advice:** The Ethics Commission answers inquiries on the application of the Public Ethics Law, publishes opinions, and grants waivers of Ethics Law requirements, as appropriate.
- **Education:** The Ethics Commission conducts public education and other information programs regarding the Public Ethics Law.
- **Legislative and Regulatory:** The Ethics Commission recommends and prepares new ethics legislation and regulations.
- **Coordination and Outreach:** The staff also serves as the principal public resource on the County's Ethics Laws, including managing a website that reflects Ethics Commission programs, activities, and publications such as annual reports, approvals of outside employment requests, lobbying data, and waivers and opinions.



Ethics Commission

RECOMMENDED FY23 BUDGET

\$375,756

FULL TIME EQUIVALENTS

2.00

ROBERT W. COBB, DIRECTOR

MISSION STATEMENT

The Ethics Commission exercises authorities granted to it under the Public Ethics Law to promote the public's trust of County government and to ensure the impartiality of County employees, including elected officials, in the execution of their responsibilities.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Ethics Commission is \$375,756, an increase of \$4,127 or 1.11 percent from the FY22 Approved Budget of \$371,629. Personnel Costs comprise 89.81 percent of the budget for two full-time position(s) and no part-time position(s), and a total of 2.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 10.19 percent of the FY23 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:

Effective, Sustainable Government

PROGRAM CONTACTS

Contact Robert Cobb, Director of the Ethics Commission at 240.777.6674 or Julie Knight of the Office of Management and Budget at 240.777.2760 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

| Measure | Actual FY20 | Actual FY21 | Estimated FY22 | Target FY23 | Target FY24 |
|--|-------------|-------------|----------------|-------------|-------------|
| Program Measures | | | | | |
| Number of financial disclosure statements required (calendar year) | 1,703 | 1,463 | 1,463 | 1,463 | 1,463 |
| Number of formal opinions, waivers and guidance (calendar year) | 13 | 13 | 13 | 13 | 13 |
| Number of lobbyist activity reports (calendar year) | 221 | 222 | 222 | 222 | 222 |

| Measure | Actual FY20 | Actual FY21 | Estimated FY22 | Target FY23 | Target FY24 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Number of lobbyists registered (calendar year) | 148 | 130 | 130 | 130 | 130 |
| Number of outside employment requests processed (calendar year) | 1,125 | 768 | 768 | 768 | 768 |
| Percentage of Executive Branch public financial disclosure filers in compliance with ethics training requirement | 99% | 99% | 99% | 99% | 99% |

PROGRAM DESCRIPTIONS

Ethics Program Compliance

Financial Disclosure: The Public Ethics Law requires filing of financial disclosure reports by certain County employees. The Ethics Commission administers the electronic filing system for reporting and coordinates with the Office of Human Resources and all County agencies regarding the status of filers. It resolves all anomalous circumstances and questions from filers that routinely arise associated with the filing of financial disclosure reports and the system designed for that purpose.

Outside Employment: The Public Ethics Law requires that County employees obtain approval from the Ethics Commission prior to engaging in any employment other than County employment. The Ethics Commission administers an online process pursuant to which requests are made and reviewed by the employee's agency. The Ethics Commission staff prepares all requests for consideration by the Ethics Commission, including obtaining additional information from requestors and County agencies and conducting preliminary legal analysis of requests. The Ethics Commission approves requests, as appropriate, setting conditions on approval as necessary to ensure compliance with ethics requirements, and staff notifies requestors by letter of the disposition of requests. The Ethics Commission publishes and updates approved outside employment information required to be made public by the Public Ethics Law.

Lobbying: The Public Ethics Law requires certain persons who spend or receive over \$500 to communicate with County officials and employees to register as lobbyists and to file semi-annual activity reports with the Ethics Commission. Annual registration fees are required and are paid to the Ethics Commission and processed and deposited in the General Fund. The Ethics Commission publishes and updates information required to be made public by the Public Ethics Law.

Complaints, Investigations, and Hearings: Pursuant to the Public Ethics Laws, the Ethics Commission receives complaints and, as appropriate, conducts investigations, and/or hearings; makes findings; and imposes sanctions and penalties, if warranted.

Advisory Opinions, Waivers, and Advice: In accordance with the Public Ethics Law, the Ethics Commission answers inquiries on the application of the Public Ethics Law, publishes opinions, and grants waivers of Ethics Law requirements, as appropriate.

Education: The Ethics Commission conducts public education and other information programs regarding the Public Ethics Law.

Legislative and Regulatory: The Ethics Commission recommends and prepares new ethics legislation and regulations.

Coordination and Outreach: The Staff of the Ethics Commission coordinates with the Office of the County Attorney and the Office of the Inspector General as necessary on legal and investigative matters. The staff also serves as the principal public resource on the County's Ethics Laws, including managing a website that reflects Ethics Commission programs, activities, and

publications such as annual reports, approvals of outside employment requests, lobbying data, and waivers and opinions.

Administration: The staff of the Ethics Commission is responsible for ensuring that Ethics Commission meetings are conducted in accordance with the Open Meetings Act and other applicable law. The Ethics Commission members are informed and advised as to all material matters under their jurisdiction.

BUDGET SUMMARY

| | Actual FY21 | Budget FY22 | Estimate FY22 | Recommended FY23 | %Chg Bud/Rec |
|--|----------------|----------------|------------------|---------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 264,808 | 271,330 | 276,322 | 274,459 | 1.2 % |
| Employee Benefits | 58,964 | 62,040 | 57,325 | 63,003 | 1.6 % |
| County General Fund Personnel Costs | 323,772 | 333,370 | 333,647 | 337,462 | 1.2 % |
| Operating Expenses | 536 | 38,259 | 38,259 | 38,294 | 0.1 % |
| County General Fund Expenditures | 324,308 | 371,629 | 371,906 | 375,756 | 1.1 % |
| PERSONNEL | | | | | |
| Full-Time | 2 | 2 | 2 | 2 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 2.00 | 2.00 | 2.00 | 2.00 | — |
| REVENUES | | | | | |
| Miscellaneous Revenues | 39,246 | 20,000 | 20,000 | 20,000 | — |
| County General Fund Revenues | 39,246 | 20,000 | 20,000 | 20,000 | — |

FY23 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|---|----------------|-------------|
| COUNTY GENERAL FUND | | |
| FY22 ORIGINAL APPROPRIATION | 371,629 | 2.00 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: Annualization of FY22 Compensation Increases | 4,234 | 0.00 |
| Increase Cost: FY23 Compensation Adjustment | 2,155 | 0.00 |
| Increase Cost: Retirement Adjustment | 2,001 | 0.00 |
| Increase Cost: Printing and Mail Adjustment | 35 | 0.00 |
| Decrease Cost: Annualization of FY22 Personnel Costs | (4,298) | 0.00 |
| FY23 RECOMMENDED | 375,756 | 2.00 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
|-------|------|------|------|------|------|------|
|-------|------|------|------|------|------|------|

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
|--|------------|------------|------------|------------|------------|------------|
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY23 Recommended | 376 | 376 | 376 | 376 | 376 | 376 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 9 | 9 | 9 | 9 | 9 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 376 | 385 | 385 | 385 | 385 | 385 |