

GOVERNMENTAL ETHICS COMMISSION

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:					
State General Fund	\$ 377,076	\$ 371,399	\$ 371,399	\$ 382,551	\$ 382,551
Other Funds	204,760	246,577	246,577	263,520	263,520
TOTAL	\$ 581,836	\$ 617,976	\$ 617,976	\$ 646,071	\$ 646,071
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 581,836	\$ 617,976	\$ 617,976	\$ 646,071	\$ 646,071

Percentage Change:

Operating Expenditures					
State General Fund	(0.3) %	(1.5) %	(1.5) %	3.0 %	3.0 %
All Funds	(1.9)	6.2	6.2	4.5	4.5
FTE Positions	7.5	7.5	7.5	7.5	7.5
Non-FTE Perm.Uncl.Pos.	0.5	0.5	0.5	0.5	0.5
TOTAL	8.0	8.0	8.0	8.0	8.0

AGENCY OVERVIEW

The Governmental Ethics Commission is charged with administering, interpreting, and enforcing the Campaign Finance Act and laws relating to conflicts of interest, financial disclosure, and the regulation of lobbying. These laws establish the public's right to information about the financial affairs of Kansas' public officials, lobbyists, and candidates for state and local office. In addition, the Commission renders advisory opinions and can adopt rules and regulations.

Each year, the Commission receives thousands of financial disclosure reports filed by candidates, political parties and party committees, public officials and lobbyists. During non-election years, the Commission staff conducts comprehensive audits of previous filings, reviews and enters data from the January reports to compile campaign finance statistics, processes new candidate Appointment of Treasurer forms and Political Action Committee Statement of Organization forms, ensures all persons subject to Commission regulation receive all pertinent campaign finance information for upcoming elections, processes failure to file notices, and files complaints. During election years, the Commission devotes 80 to 90 percent of staff time to answering campaign related questions, assisting candidates and candidate treasurers in completing their reports and reviewing the receipts and expenditure reports filed. In addition to these responsibilities, the Commission enforces and assures lobbyists' compliance with state lobbying laws.

MAJOR ISSUES FROM PRIOR YEARS

The **2013 Legislature** deleted \$42,243, all from the State General Fund, for FY 2014 and FY 2015 operating expenditures. The Legislature also reduced funding for salaries and wages for FY 2014 and FY 2015.

The **2014 Legislature** added \$5,000, all from special revenue funds, in FY 2014 for information technology. The agency previously shared server space with the Department of Agriculture, but had to make alternative arrangements following the Department of Agriculture's relocation to Manhattan.

The **2015 Legislature** passed HB 2183, which increased the agency's statutory maximum fees for candidates and lobbyists. The estimated increase to the agency fee fund for FY 2016 is \$51,201.

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** requests a revised estimate of \$617,976, including \$371,399 from the State General Fund. There is no change from the FY 2016 approved amount. The approved amount includes a reappropriation of \$1,682 from the State General Fund which will be used for increased costs in fees paid to the Department of Administration.

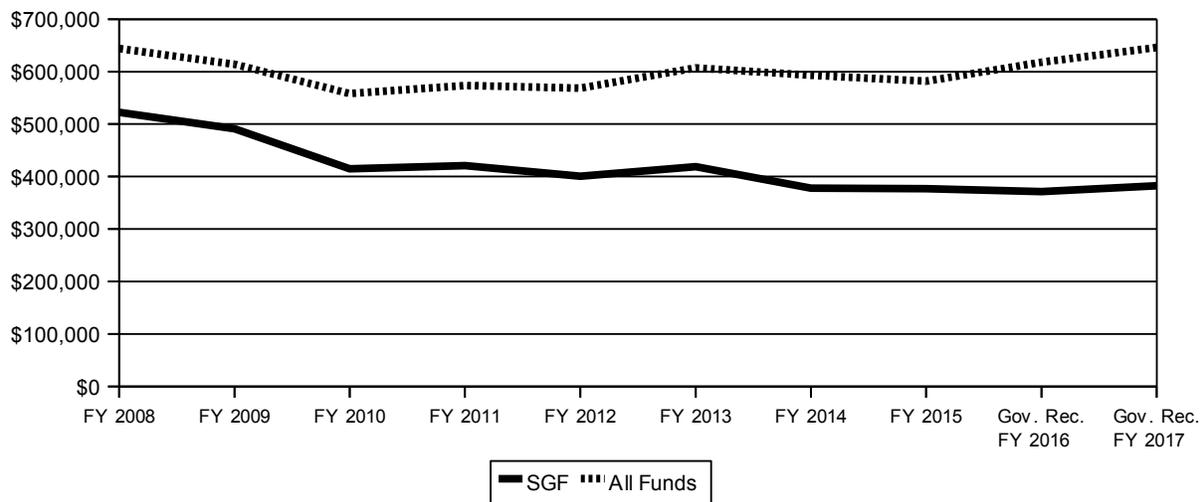
The **Governor** concurs with the agency's revised estimate.

FY 2017 – Budget Year. The **agency** requests a revised estimate of \$646,071, including \$382,551 from the State General Fund. There are no changes from the FY 2017 approved amount. There is an increase of \$28,095, or 4.5 percent, all funds and \$11,152, or 3.0 percent, State General Fund, above the FY 2016 estimate. This is due primarily to an increase of \$15,918 in salaries and wages as a result of the additional pay day in FY 2017 and an increase of \$14,083 in contractual services resulting from additional costs related to election year responsibilities.

The **Governor** concurs with the agency's revised estimate.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2008	\$ 522,636	4.9 %	\$ 643,848	2.1 %	9.0
2009	490,997	(6.1)	614,070	(4.6)	9.0
2010	415,015	(15.5)	558,139	(9.1)	9.0
2011	420,616	1.3	573,735	2.8	9.0
2012	400,437	(4.8)	568,463	(0.9)	9.0
2013	418,755	4.6	607,264	6.8	9.0
2014	378,023	(9.7)	593,121	(2.3)	7.5
2015	377,076	(0.3)	581,836	(1.9)	7.5
2016 Gov. Rec.	371,399	(1.5)	617,976	6.2	7.5
2017 Gov. Rec.	382,551	3.0	646,071	4.5	7.5
Ten-Year Change Dollars/Percent	\$ (140,085)	(26.8)%	\$ 2,223	0.3 %	(1.5)

Summary of Operating Budget FY 2015 - FY 2017

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:									
Administration	\$ 581,836	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 481,850	\$ 489,261	\$ 505,179	\$ 15,918	3.3 %	\$ 489,261	\$ 505,179	\$ 15,918	3.3 %
Contractual Services	94,642	118,582	132,665	14,083	11.9	118,582	132,665	14,083	11.9
Commodities	2,429	7,318	7,318	0	0.0	7,318	7,318	0	0.0
Capital Outlay	2,915	2,815	909	(1,906)	(67.7)	2,815	909	(1,906)	(67.7)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 581,836	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 581,836	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %
Financing:									
State General Fund	\$ 377,076	\$ 371,399	\$ 382,551	\$ 11,152	3.0 %	\$ 371,399	\$ 382,551	\$ 11,152	3.0 %
Governmental Ethics Fee Fund	204,760	246,577	263,520	16,943	6.9	246,577	263,520	16,943	6.9
TOTAL	\$ 581,836	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %	\$ 617,976	\$ 646,071	\$ 28,095	4.5 %

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$369,717 for the Governmental Ethics Commission in FY 2016. One adjustment has subsequently been made to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$1,682, based on the reappropriation of FY 2015 funding which was not spent in FY 2015 and has shifted to FY 2016; and
- This adjustment changes the FY 2016 approved State General Fund to \$371,399. That amount is reflected in the table below as the currently approved FY 2016 State General Fund amount.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 371,399	\$ 371,399	\$ 0	\$ 371,399	\$ 0
All Other Funds	246,577	246,577	0	246,577	0
TOTAL	\$ 617,976	\$ 617,976	\$ 0	\$ 617,976	\$ 0
FTE Positions	7.5	7.5	0.0	7.5	0.0

The **agency** requests a revised estimate of \$617,976, including \$371,399 from the State General Fund. There is no change from the FY 2016 approved amount. The reappropriation of \$1,682 from the State General Fund will be used for increased costs in fees paid to the Department of Administration.

The **Governor** concurs with the agency's revised estimate.

B. FY 2017 – Budget Year

Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$382,551 for the Governmental Ethics Commission in FY 2017. No adjustments have subsequently been made to that amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 382,551	\$ 382,551	\$ 0	\$ 382,551	\$ 0
All Other Funds	263,520	263,520	0	263,520	0
TOTAL	\$ 646,071	\$ 646,071	\$ 0	\$ 646,071	\$ 0
FTE Positions	7.5	7.5	0.0	7.5	0.0

The **agency** requests a revised estimate of \$646,071, including \$382,551 from the State General Fund. There are no changes from the FY 2017 approved amount. There is an increase of \$28,095, or 4.5 percent, all funds and \$11,152, or 3.0 percent, State General Fund, above the FY 2016 estimate. This is due primarily to an increase of \$15,918 in salaries and wages as a result of the additional pay day in FY 2017 and an increase of \$14,083 in contractual services resulting from additional costs related to election year responsibilities.

The **Governor** concurs with the agency's revised estimate.

Funding Sources

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	59.2 %	59.2 %
Governmental Ethics Commission Fee Fund	40.8	40.8
TOTAL	100.0 %	100.0 %

Note: Details may not add to totals due to rounding.

Governmental Ethics Commission Fee Fund Analysis

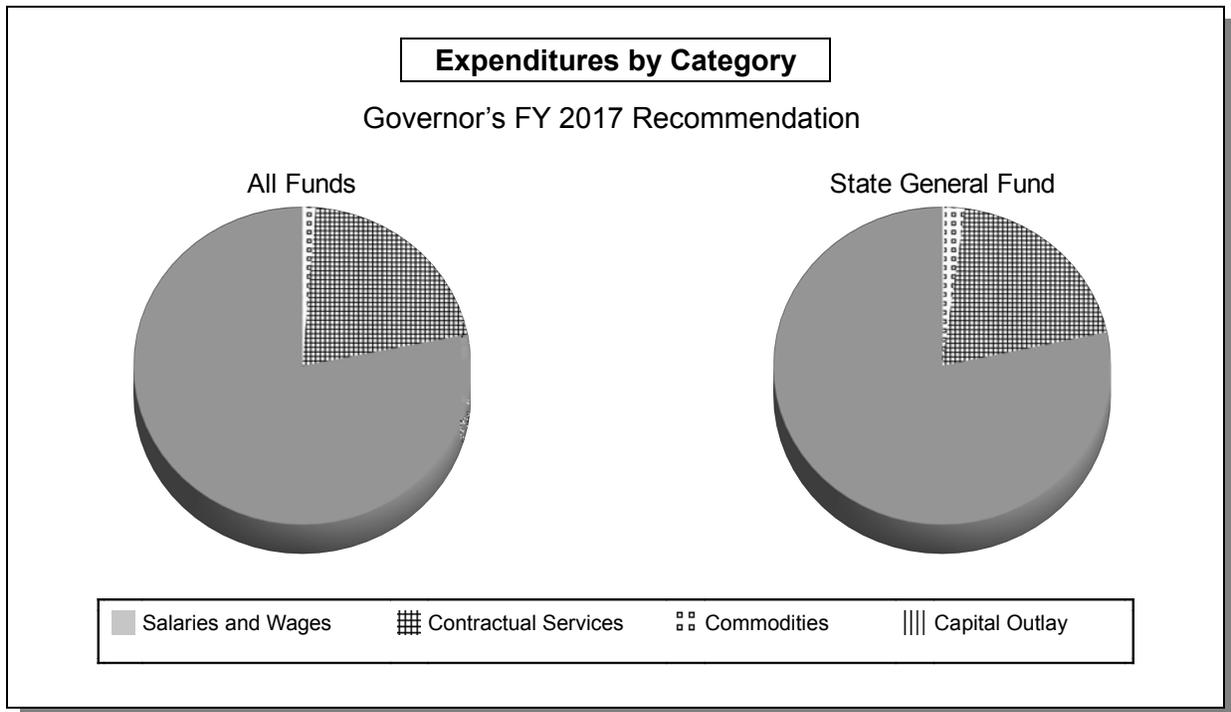
The Governmental Ethics Commission Fee Fund was established in 1991 by KSA 25-4119e. Receipts to the fund come from candidate filings, political action committee registrations, lobbyist registrations, civil penalties and fines imposed by the Commission, and charges for publications. The Secretary of State and county clerks collect state candidate and lobbyist registration fees. The fees are remitted quarterly to the Commission's fee fund. The utilization of the fee fund varies greatly over a four year period depending on election and non-election years, as well as the type of election.

In FY 2015, the agency estimated a depletion of the fee fund by FY 2018 due to increased utilization of the fund and decreases in State General Fund appropriations over recent years. The 2015 Legislature passed HB 2183, which increased the agency's statutory maximum fees for candidates and lobbyists. The estimated increase to the agency fee fund for FY 2016 is \$51,201.

Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 372,724	\$ 316,969	\$ 316,969	\$ 286,592	\$ 286,592
Revenue	149,005	216,200	216,200	194,375	194,375
Transfers in	0	0	0	0	0
Total Funds Available	\$ 521,729	\$ 533,169	\$ 533,169	\$ 480,967	\$ 480,967
Less: Expenditures	204,760	246,577	246,577	263,520	263,520
Transfers Out	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 316,969</u>	<u>\$ 286,592</u>	<u>\$ 286,592</u>	<u>\$ 217,447</u>	<u>\$ 217,447</u>
Ending Balance as Percent of Expenditures	154.8%	116.2%	116.2%	82.5%	82.5%
Month Highest Ending Balance	July <u>\$ 379,425</u>	July <u>\$ 322,667</u>	July <u>\$ 322,667</u>	July <u>\$ 291,744</u>	July <u>\$ 291,744</u>
Month Lowest Ending Balance	June <u>\$ 324,387</u>	June <u>\$ 275,863</u>	June <u>\$ 275,863</u>	June <u>\$ 249,425</u>	June <u>\$ 249,425</u>

GOVERNMENTAL ETHICS COMMISSION FEES FY 2016		
	Current Fee	Statutory Limit
Filling fee for candidates for Governor & Lieutenant Governor	\$ 650	\$ 650
Filling fee for candidates for other statewide offices	650	650
Filling fee for candidates for State Legislature, State Board of Education, & select local offices	50	50
Fee for Political Action Committees with anticipated receipts of \$2,501 or more	300	300
Fee for Political Action Committees with anticipated receipts more than \$500, but less than \$2500	50	50
Fee for Political Action Committees with anticipated receipts of \$500 or less.	25	25
Lobbyist fee for anticipated spending of \$1,000 or less on behalf of any one employer (per employer)	50	50
Lobbyist fee for anticipated spending of more than \$1,000 on behalf of any one employer (per employer)	350	350
Fee for a non-owner, non-partner lobbying firm employees	450	450

PROGRAM DETAIL



Category	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Salaries and Wages	\$ 505,179	78.2 %	\$ 300,000	78.4 %
Contractual Services	132,665	20.5	74,324	19.4
Commodities	7,318	1.1	7,318	1.9
Capital Outlay	909	0.1	909	0.2
TOTAL	\$ 646,071	100.0 %	\$ 382,551	100.0 %

FTE POSITIONS BY PROGRAM FY 2015 – FY 2017

Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Administration	7.5	7.5	7.5	7.5	7.5

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of lobbyist registrations and expenditure reports filed	7,485	8,195	7,700	7,700
Percent of compliance reviews completed	100.0%	100.0%	100.0%	100.0%
Number of statements of substantial interest filed	5,450	5,526	5,770	5,540