

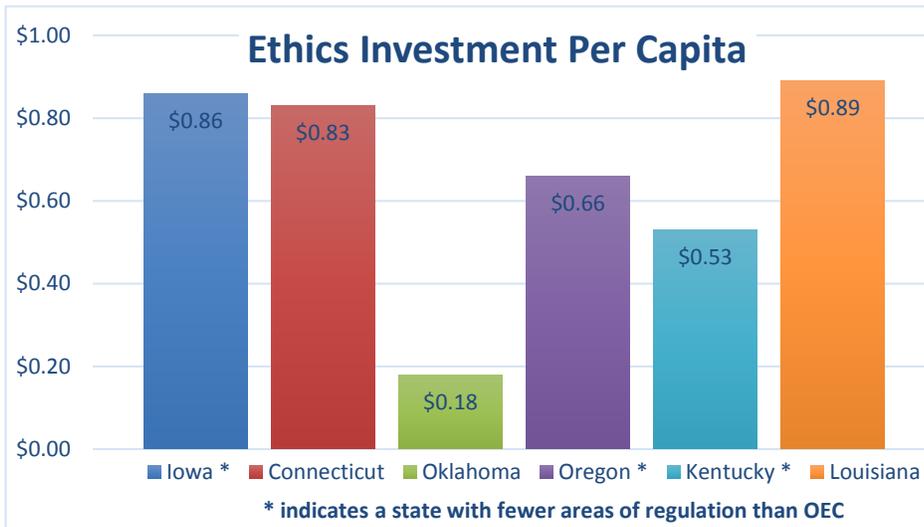


OKLAHOMA ETHICS COMMISSION

PROPOSED BUDGET FOR FISCAL YEAR 2019

The citizens of Oklahoma constitutionally require the legislature to fund the Commission at a level “sufficient to enable it to perform its duties as set forth in this Constitutional Amendment”. Oklahoma Constitution, Article 29, §2. Current appropriations do not meet the expectations of Oklahoma citizens or the legal requirements under the Oklahoma Constitution.

Oklahoma Funds the Ethics Commission at \$0.18 per person—less than one-fourth of the funding *average* for the five closest comparably populated states—most of which have fewer responsibilities than Oklahoma’s Commission.¹



- **Iowa and Kentucky** estimates do not include costs of **legislative lobbying** or **conflicts of interest** oversight of **legislative officers** or **employees**.
- **Oregon’s** estimate does include **campaign finance disclosures** which are filed with Oregon’s Secretary of State.
- **Connecticut and Louisiana** have agencies with comparable responsibilities of the Oklahoma Ethics Commission.

Funding Constitutional Responsibilities. Discussions in 1989 during formation of the Constitutional Ethics Commission disclose that the intended funding level for the Commission to be “between \$600,000 and \$700,000”.² **Almost, 30 years later the Commission’s appropriation is \$703,000.** Utilizing the same funding formula as in 1989, the Commission’s minimum appropriation for **FY 2017-2019 would be over \$3 million** to fund its Constitutional obligations. This does not include funding the additional statutory responsibilities the legislature has vested in the Commission which are currently not funded. See Charts on Page 8.

Budget Request for FY 19 Constitutional and Statutory Operations. The Ethics Commission FY 2019 budget request is to fund the agency at the average per capita funding for comparably populated states with agencies with comparable regulation--**\$0.86 per Oklahoma Citizen**, an amount of **\$3,354,000.** See Section A below.

New Open Government Program Facilitating Access to Open Meetings and Open Records. The Commission’s constitutional independence and inherent law making power put it in a unique position to facilitate quicker and more efficient access to open records and open meetings by establishing an administrative process for coordinating requests and responses and providing administrative recourse when access is denied. Most likely savings at other agencies would offset all or part of cost of the program to the State. Such a program would require an **estimated \$.30 per Oklahoma Citizen** an amount of **\$1,170,000.** See Section C below.

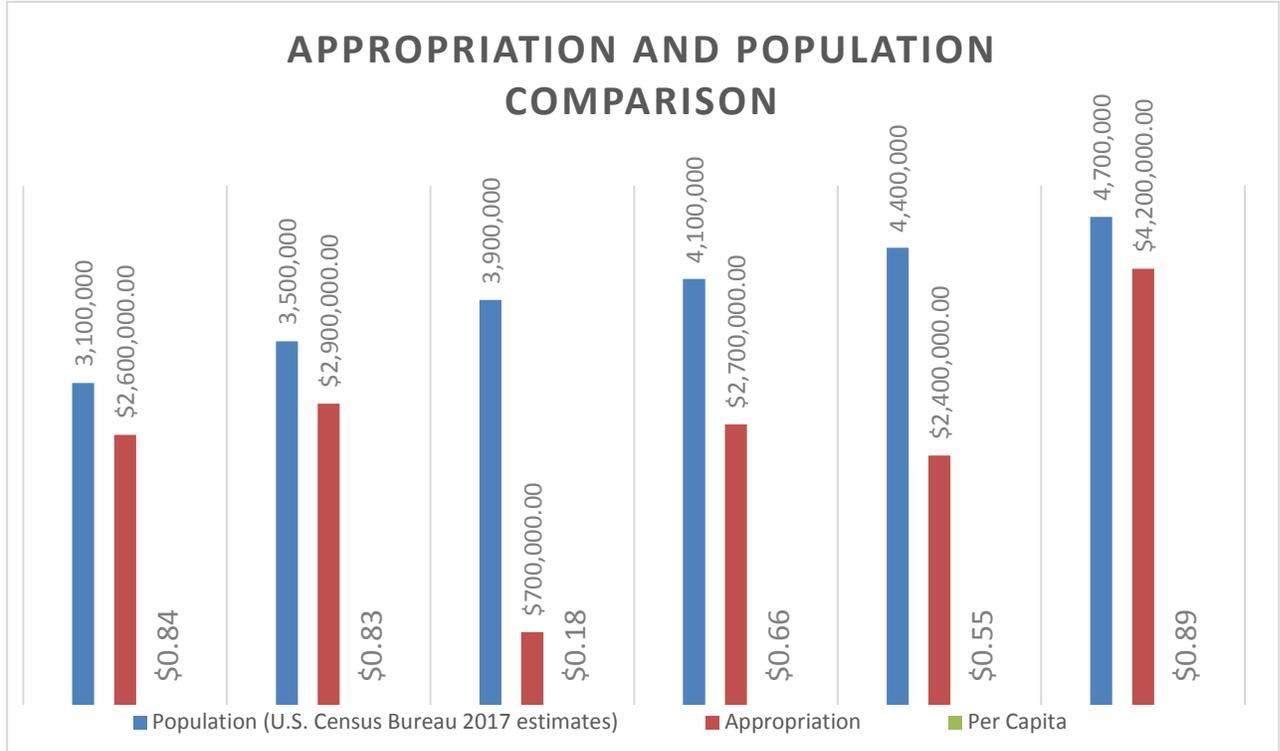
FY 19 budget request for the Ethics Commission is \$1.26 per citizen, a total of \$4,524,000.

¹ See *Ethics Investment Per Capita Chart* and *Appropriation and Population Comparison Chart* herein.¹

² Based upon funding at a minimum 5% of the contributions made during the most recent election year--Constitutional Revision Panel Backs Ethics Agency; Greiner, John; Daily Oklahoman, June 2, 1989.

A. COMPARISON WITH OTHER STATES.

1. **Cost per Capita and Areas of Jurisdiction.** The Oklahoma Commission has significant constitutional and statutory responsibilities. When compared with the five most comparably populated states to Oklahoma, each of those states invests significantly more into their Ethics programs than does Oklahoma. Two of those states, Connecticut and Louisiana have similar responsibilities to the Commission. The ethics agencies in Iowa, Oregon, and Kentucky have some of the same responsibilities but do not have jurisdiction over one or more areas as does Oklahoma. Responsibilities provided within another agency such as the attorney general’s office, legislature, or Secretary of State were left out of the analysis.



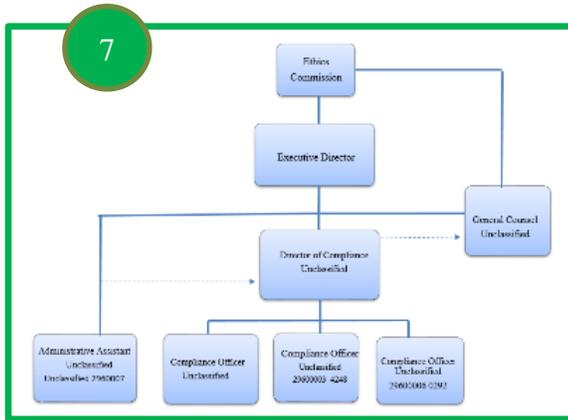
2. Areas of Jurisdiction by State:

	Executive Lobbying	Executive O/E COI	Campaign Finance	Legislative Lobbying	Legislative O&E COI	Other
Iowa	X	X	X	-	-	-
Connecticut	X	X	X	X	X	X
Oklahoma	X	X	X	X	X	X
Oregon	X	X	-	X	X	-
Kentucky	X	X	X	-	-	-
Louisiana	X	X	X	X	X	-

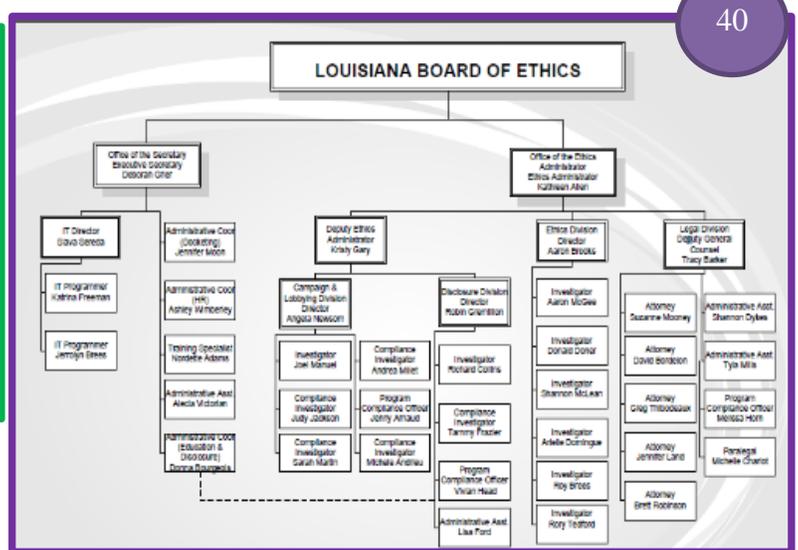
3. Staffing Levels.

Oklahoma has similar jurisdiction and responsibilities to Louisiana and Connecticut. Despite similarities in responsibilities, staffing levels vary significantly. Oklahoma has seven (7) full time staff. Louisiana has forty (40) and Connecticut forty-nine (49) full time staff.

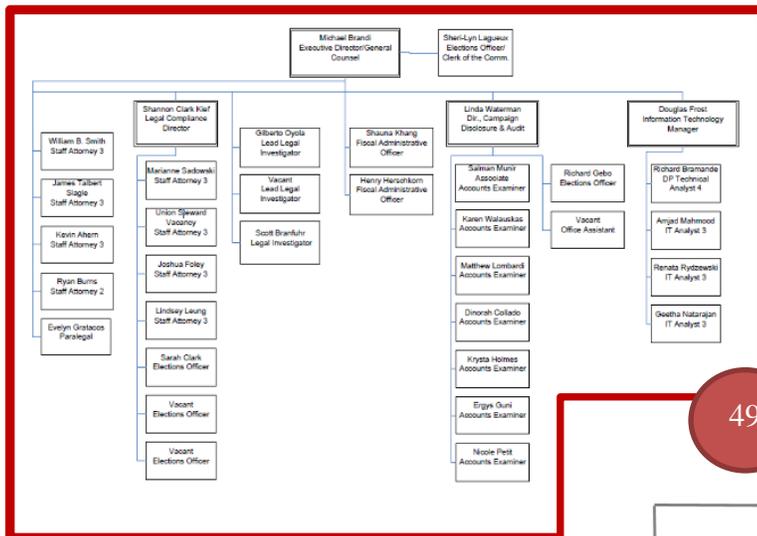
Oklahoma



Louisiana

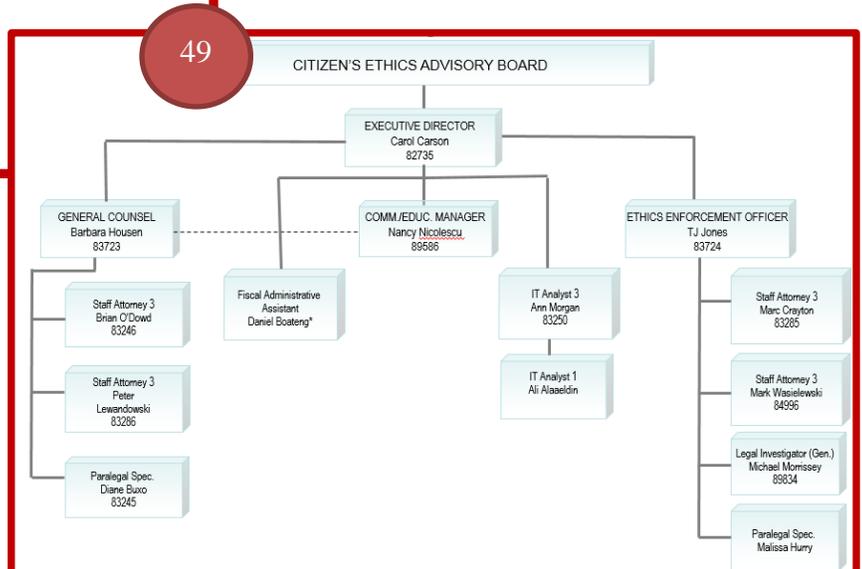


Connecticut Elections Enforcement (Campaign Finance)



Connecticut's responsibilities are allocated between two agencies.

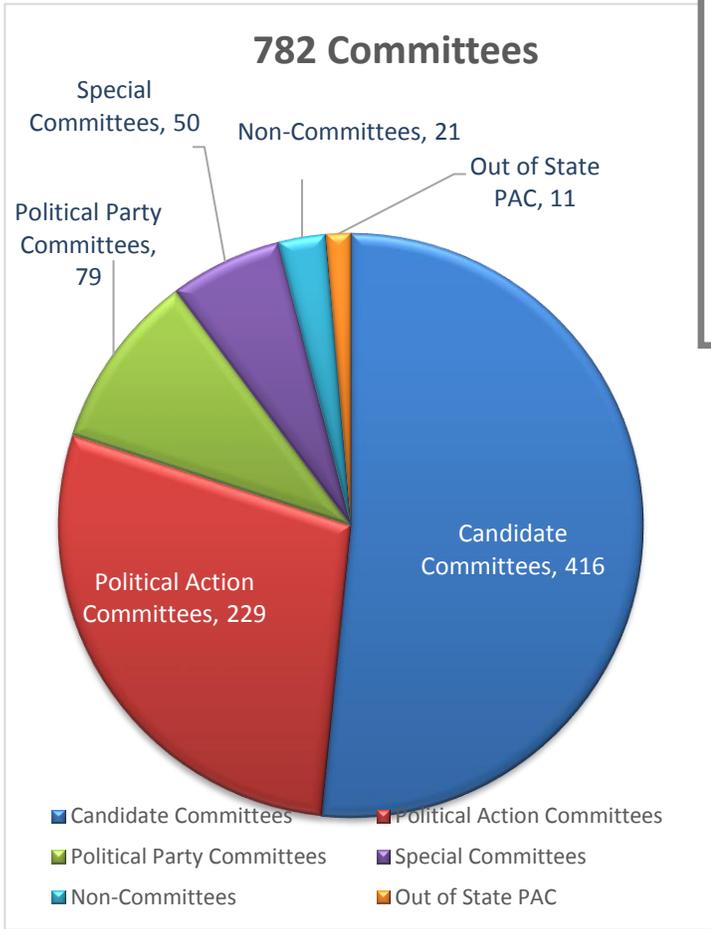
Connecticut Citizens Advisory Board (Conflicts of Interest and Lobbying)



B. CONSTITUTIONAL AND STATUTORY OPERATIONS

The people of Oklahoma created a Commission independent of the legislature to enact and enforce laws regarding (1) campaigns for elective state office and initiatives and referenda; and (2) state officers (elected, appointed or employed) and state employees.

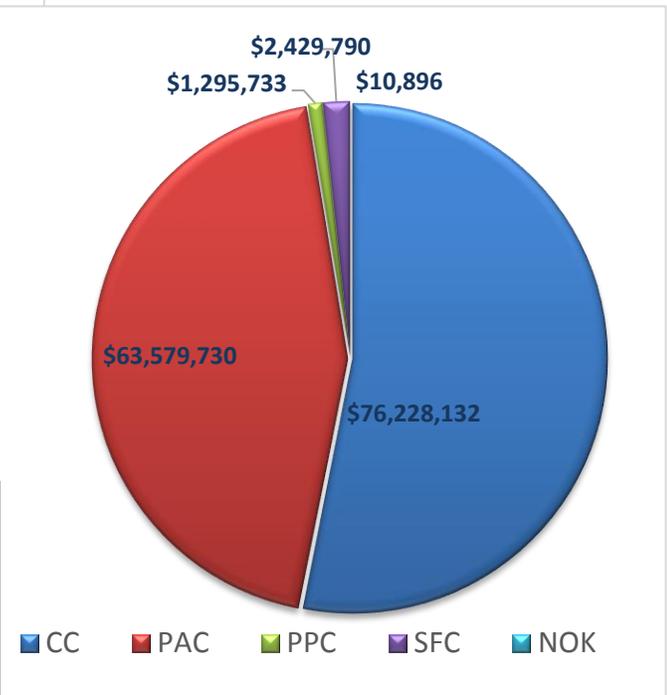
1. POLITICAL/COMMITTEES



State Level: Today, the Commission regulates and accepts filings for over 750 political committees at the state level, numerous non-committees (so called “dark money” groups). Commission staff reviews every filing by a candidate committee for current or upcoming election cycles. **In 2017, the Commission accepted over 9,500 filings from political committees.**

From 2014 to 2017 those committees received over \$140 million dollars in contributions.

2014-2017 State Committees Estimated Contributions \$143,544,281



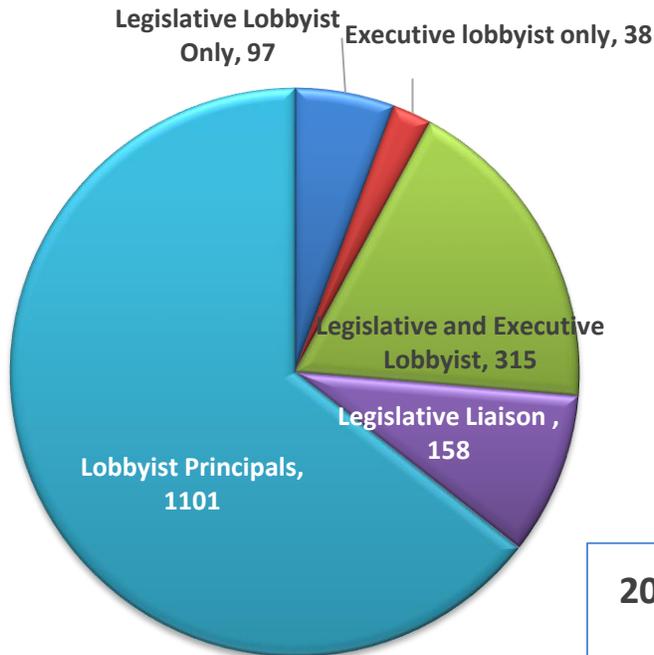
2014 data. 2014 contribution information is unavailable in The Guardian System. 2014 information available from outside sources does not include contributions made to PACs. PAC contributions amounts from 2016 was utilized in place of the 2014 figures; however, it is likely that number is low. 2014 information was determined through www.followthemoney.org.

Political Subdivisions. In addition to its Constitutional Jurisdiction, the Commission also has jurisdiction over campaign reporting and financial disclosure for political subdivisions. This includes all seventy-seven counties for 616 elective offices, approximately 40 municipalities with a population over 10,000 and with general revenue expenditure budgets over \$10,000,000, and Independent School Districts and Technology Center Districts. These entities do not file reports with the Commission.

2. LOBBYISTS, LIAISONS AND LOBBYIST PRINCIPALS

The Commission regulates lobbyists and lobbyist principals (entities represented by lobbyists).

612 Lobbyists and Liaisons / 1101 Lobbyist Principals

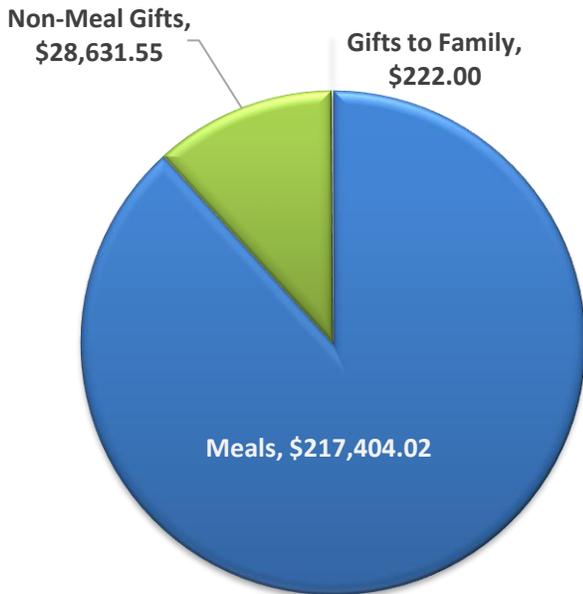


In 2017, 612 lobbyists and legislative liaisons filed reports with the Commission. These individuals lobby the governor, the legislature and their staff, and/or officers and staff of executive branch agencies.

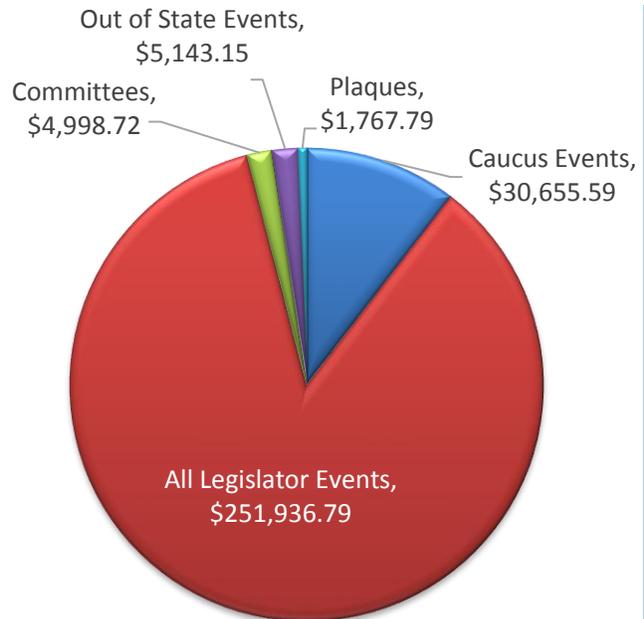
Legislative Lobbyists file reports monthly from February through July for timely reporting during the legislative session and one 6 month report for July 1 through December 31. Lobbyists who lobby only the executive branch file reports quarterly.

In 2017, the Commission received over 5,500 documents from lobbyists and liaisons, detailing \$540,759.61 worth of expenditures.

2017 Lobbyist Expenditures



2017 Lobbyist Principal Expenditures



3. STATE OFFICERS AND EMPLOYEES

The Commission has jurisdiction over the approximately 35,000 state officers and employees in the state of Oklahoma. Elected officers file annual financial disclosure reports. All state officers and employees file reports detailing subsidies, scholarships or grants to attend conferences or educational seminars sponsored by entities to which the State does not pay membership dues.

In 2017, 371 state officers in offices subject to election or retention were required to file Financial Disclosure reports indicating their understanding of state Ethics rules and disclosing material financial interests. An additional 91 state officers and employees filed Scholarship reports. The Commission serves as a resource to state officers and employees to ensure all individuals have the opportunity to learn the Ethics Rules and routinely answer questions regarding the application of the Ethics Rules to fact situations.

4. CONTINUING EDUCATION PROGRAMS

Calendar year 2017 was the first year the Commission was able to offer continuing education programs on a routine, rather than ad hoc basis. The Commission's core programs for State Officers and Employees; Lobbyists, Legislative Liaisons, Candidate Committees, Party Committees, and Political Action Committees are offered on a rotating quarterly basis with additional programs added as time allows or needs present. Entities have opportunities to learn the Ethics Rules as applied to them and to plan ahead to attend programs.

In 2017, the Commission offered 57 program for 529 attendees. With 2018 being an election year, the Commission will offer the same programs but provide additional opportunities for candidate running in the 2018 elections.

5. ENFORCEMENT AND COMPLIANCE.

The Commission enforces the Rules primarily utilizing two methods of enforcement: (1) Compliance Orders designed to gain compliance with the Rules and limited to compliance fees of no more than \$1,000; or (2) investigations that may result in settlement agreements or prosecuting matters in District Court.

To further the Commission goals of increased transparency through timely and accurate reporting the Commission has increased contacts with the regulated community to assist them in complying with the rules. These contacts range from routine reminders that reports are due or are late, as well as communication after reviewing reports to increase reporting accuracy when reporting errors are found. Compliance Orders are issued with an opportunity for a hearing before an administrative law judge. Compliance Orders can be directed towards non-monetary activity or to assess fees, such as late filing fees, of up to \$1,000.

6. NEW OPEN GOVERNMENT DEPARTMENT:

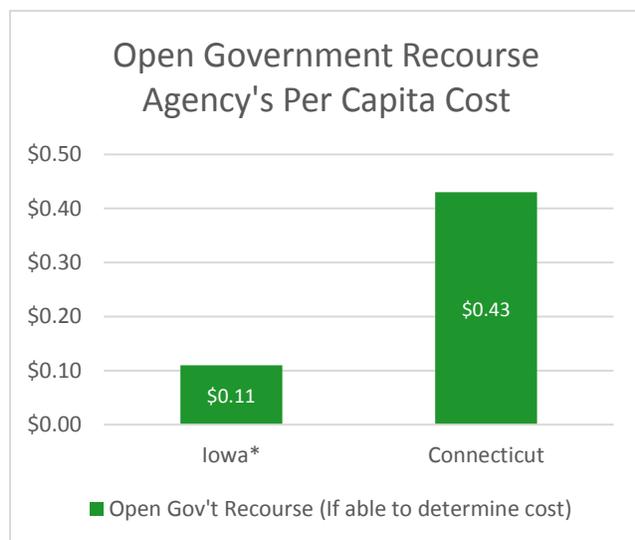
Improving Governmental Transparency Through Faster, More Efficient Access To Government Records.

The Commission's constitutional independence and inherent law making power put it in a unique position to facilitate quicker and more efficient access to open records and open meetings. The Commission, with proper funding, could establish an administrative process for coordinating requests and responses and provide an avenue for recourse when access is denied. Such a program would require an **estimated \$.30 per Oklahoma Citizen** an amount of **\$1,170,000**. That amount likely would be offset by savings at other agencies while increasing the trust of the citizens in Oklahoma government. All too frequently requests for records are drafted too broadly to

encompass “everything”. When an agency works with a requestor to try to restructure the request to narrow the request for fewer documents more relevant to what the requestor is seeking, often there is a feeling the public body is attempting to “hide” information. By utilizing an independent third party, the Commission staff would be able to work with both the requestor and the public body for access to the information desired quicker and more efficiently. Such a department could:

- providing a centralized repository for open records requests;
- provide properly trained staff in open meetings and open records laws to serve as a resource to all state agencies for guidance on how to comply with requests;
- function as an intermediary between the requestor and responding agency to ensure requests are targeted to access the information sought and that records are produced in a timely and reasonable manner;
- provide recourse through an administrative process in the event access to records or meetings is denied.

Within the five most comparably populated states to Oklahoma, two states have independent agencies that function as Open Government Agencies. The other states may have agencies with similar responsibilities but those agencies have other responsibilities and it is not immediately clear the cost for those programs.



Connecticut has a [Freedom of Information Commission](#) for those denied access to records or access to meetings. It has a board of nine members with 13 employees and an annual appropriation of \$1.5 million. The Commission has jurisdiction of the State and Local governing bodies.

Iowa has a [Public Information Board](#) for those denied access to records or meetings has an annual appropriation of \$350,000 with 3 employees and applies to the executive agencies other than the Governor’s office, including local governments. Of particular interest, the Board has nine members, three of

which represent the media.

Connecticut’s FOI Commission, as a separate agency has a structure more similar to what Oklahoma would need. However, because it is a separate agency, there are costs which would be redundant at the Oklahoma Commission. The Commission would need an estimated \$0.30 per Oklahoman to develop and implement a plan for an Open Government Department within the Commission.

Chart 1: Comparison Chart: 5% of Contributions to Candidate Committees and Actual Appropriations

- Does not include contributions to party committees, District Attorney committees or Judicial races.

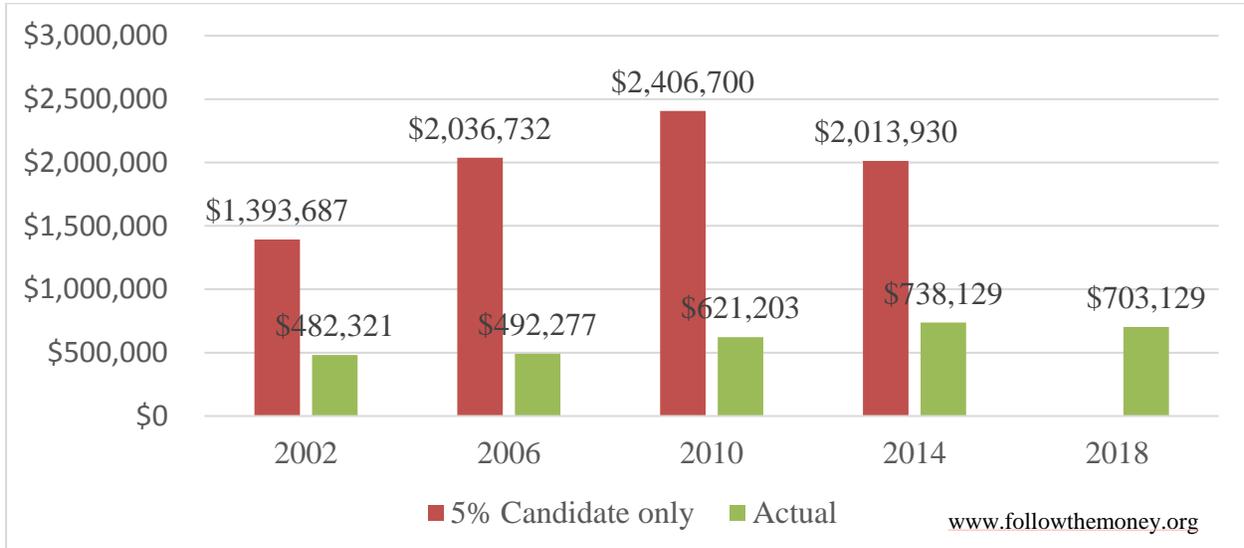


Chart 2: Comparison: 5% of Contributions (Candidate Committees & Estimated PAC), 5% of Contributions to Candidate Committees, and Actual Appropriations

- Does not include contributions to party committees, District Attorney committees or Judicial races.
- PAC estimates are 50% of Candidate Committee contributions (in 2016 PAC contributions were 63% of Candidate Committee Contributions).

