

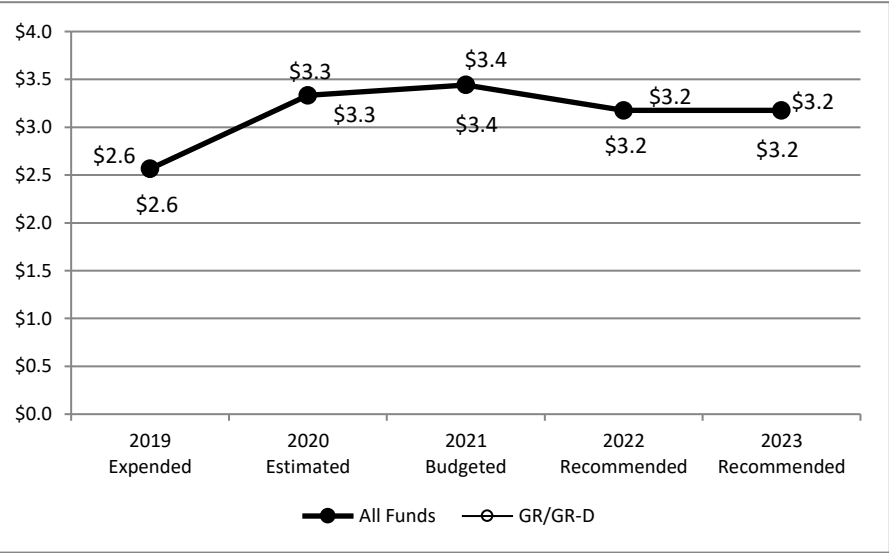
Texas Ethics Commission
Summary of Budget Recommendations - House

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 Anne Temple Peters, Executive Director
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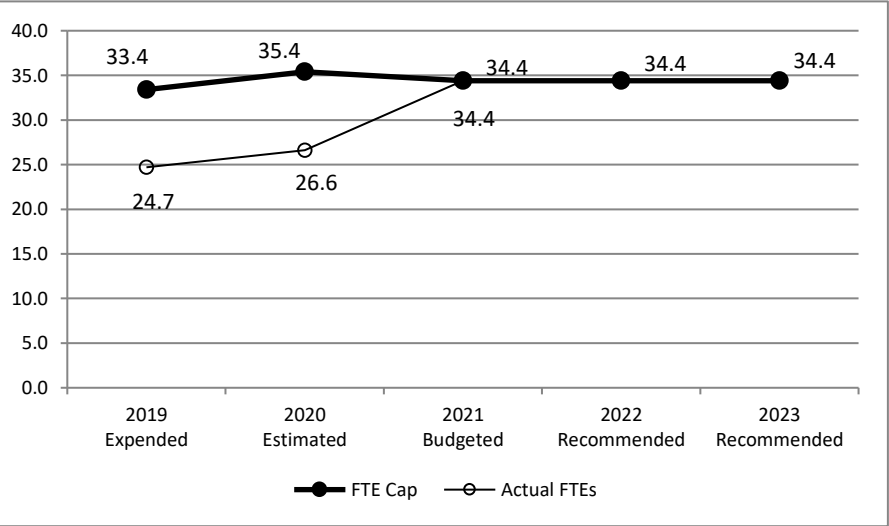
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$6,767,678	\$6,351,116	(\$416,562)	(6.2%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$6,767,678</i>	<i>\$6,351,116</i>	<i>(\$416,562)</i>	<i>(6.2%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$5,509	\$0	(\$5,509)	(100.0%)
All Funds	\$6,773,187	\$6,351,116	(\$422,071)	(6.2%)

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	34.4	34.4	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Texas Ethics Commission
Summary of Funding Changes and Recommendations - House

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Removal of various one-time capital budget items related to information technology.	(\$0.4)	\$0.0	\$0.0	\$0.0	(\$0.4)	B.1.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$0.4)	\$0.0	\$0.0	\$0.0	(\$0.4)	As Listed
SIGNIFICANT & OTHER Funding Increases		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$0.4)	\$0.0	\$0.0	\$0.0	(\$0.4)	As Listed

NOTE: Totals may not sum due to rounding.

**Texas Ethics Commission
Selected Fiscal and Policy Issues - House**

1. Adjustments to the Agency's Baseline Budget

The recommendations remove General Revenue (GR) funding for one-time projects included in the agency's 2020-21 base funding. These projects total \$416,562 and include:

- Enhancement hours appropriated to support enhancements to the Electronic Filing System resulting from legislative changes in the 85th Legislative Session (\$275,000);
- Replacement of network switches to improve the agency's computer systems (\$75,000);
- Initial license fees for a case management software system (\$55,000); and
- Transition to the Centralized Accounting and Payroll/Personnel System (\$11,562).

2. Update on the Electronic Filing System

The Commission launched an Electronic Filing Software (EFS) system in 2015. The EFS is a management and search tool for statutory ethics filings. The database facilitates filing applications for campaign finance, lobby, personal financial statements, and certificate of interested party disclosures. Recommendations include funding of \$875,980 for the biennium for vendor maintenance and support of this system. Not included in these recommendations is the Commission's request for an additional \$300,000 to transition its current hosting services to Amazon Web Services.

**Texas Ethics Commission
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations revise this rider to remove three one-time information technology projects: enhancement hours for the Electronic Filing System, network switches, and case management software initial license. In addition, one-time capital funding for CAPPs implementation provided for the 2020-21 biennium and not reduced as part of the agency's five percent reduction is removed.
4. **Appropriations for Retirement Payments.** Recommendations revise this rider to reflect updated costs for the 2022-23 biennium.

Deleted Riders

4. **Disclosure of Registration under Foreign Agents Registration Act.** The agency was appropriated \$10,000 for the 2020-21 biennium to modify the Electronic Filing System to include additional disclosures related to the Foreign Agents Registration Act. Recommendations remove this rider as the agency has completed these updates.

Texas Ethics Commission
Items Not Included in Recommendations - House

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	Managed cloud services for the Electronic Filing System.	\$300,000	\$300,000	0.0	Yes	Yes	\$300,000
2)	Implement defined enhancement projects to the Electronic Filing System as required by statute and to extend its functionality.	\$275,000	\$275,000	0.0	Yes	Yes	\$275,000
3)	Increase Disclosure Filing Division salaries to align with labor market valuations and title changes.	\$40,000	\$40,000	0.0	No	No	\$40,000
4)	Increase programmer salaries for two unfilled positions to the state average for Programmer II and Programmer III.	\$32,194	\$32,194	0.0	No	No	\$32,194
5)	Revise Rider 3, Judgments and Settlements, to shift payment of state court awarded judgments and settlements against the Commission from the agency's appropriation to appropriations out of the Comptroller's Fiscal Programs Strategy A.1.3, Judgments and Settlements.	\$0	\$0	0.0	No	No	\$0
6)	Case management software license subscription renewal.	\$10,000	\$10,000	0.0	Yes	No	\$50,726
7)	Public Information Records module addition to case management software license subscription.	\$61,590	\$61,590	0.0	Yes	No	\$67,902
8)	Agency request for a new rider to grant it unrestricted transfer authority including between direct and indirect Administration strategies.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$718,784	\$718,784	\$0	\$0	\$0	\$765,822

Texas Ethics Commission
Appendices - House

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* Appendix is not included - no significant information to report

Texas Ethics Commission
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
DISCLOSURE FILING A.1.1	\$614,538	\$681,020	\$66,482	10.8%	Increase of \$0.1 million in General Revenue reflects salary adjustments and one-time merit increases as well as increases in consumables and postage costs.
LEGAL GUIDANCE AND OPINIONS A.1.2	\$847,804	\$1,019,250	\$171,446	20.2%	Increase of \$0.2 million in General Revenue reflects a change in salary split between Strategy A.1.2 and Strategy A.1.3 related to changes in roles and duties among the attorneys who have responsibilities in both strategies.
ENFORCEMENT A.1.3	\$1,936,086	\$1,748,408	(\$187,678)	(9.7%)	Decrease of \$0.2 million in General Revenue reflects a change in salary split between Strategy A.1.3 and Strategy A.1.2 related to changes in roles and duties among the attorneys who have responsibilities in both strategies. Reduced travel for commission meetings and for other operating expenses accounts for the remaining reductions.
Total, Goal A, ADMINISTER ETHICS LAWS	\$3,398,428	\$3,448,678	\$50,250	1.5%	
CENTRAL ADMINISTRATION B.1.1	\$837,379	\$833,274	(\$4,105)	(0.5%)	Overall reduction in General Revenue primarily reflects a decrease in one-time funding for transition to CAPPS, offset by reallocations from Strategy C.1.1 for the Executive Director salary.
INFORMATION RESOURCES B.1.2	\$2,537,380	\$2,069,164	(\$468,216)	(18.5%)	Amounts reflect \$0.4 million in reductions in General Revenue for one-time funding for enhancement hours to the Electronic Filing System, network switches, and a case management software license purchase. The remaining \$0.1 million in reductions in General Revenue reflect a transfer to Strategy B.1.1 to cover shortfalls in that strategy, including the increase in the salary of the Executive Director which was authorized but for which an appropriation was not made, and a decrease in the baseline of Strategy B.1.2 due to other operating costs.
Total, Goal B, INDIRECT ADMINISTRATION	\$3,374,759	\$2,902,438	(\$472,321)	(14.0%)	
Grand Total, All Strategies	\$6,773,187	\$6,351,116	(\$422,071)	(6.2%)	

Texas Ethics Commission
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	33.4	35.4	34.4	34.4	34.4
Actual/Budgeted	24.7	26.6	34.4	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$133,463	\$139,097	\$139,097	\$139,097	\$139,097
General Counsel	\$118,388	\$121,644	\$121,644	\$121,644	\$121,644

Notes:

a) State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.

b) Fiscal years 2019 and 2020 FTE figures are lower than the FTE cap due to two programming staff vacancies and turnover in the Disclosure Division.

c) The State Auditor's Office Report Executive Compensation at State Agencies (Report 20-706, August 2020) indicates a market average salary of \$146,782 for the Executive Director position at the Ethics Commission. The report does not indicate a market average salary for the General Counsel position. The agency is not requesting a change in salary for either position.