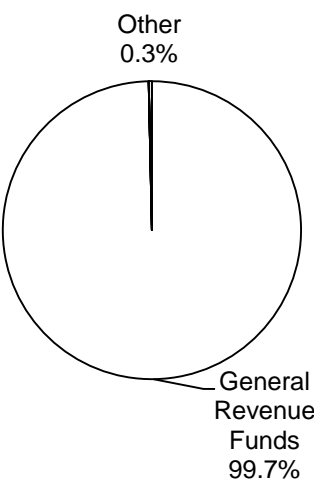


Section 1

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$7,473,712	\$4,743,532	(\$2,730,180)	(36.5%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$7,473,712	\$4,743,532	(\$2,730,180)	(36.5%)
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$26,380	\$16,380	(\$10,000)	(37.9%)
All Funds	\$7,500,092	\$4,759,912	(\$2,740,180)	(36.5%)

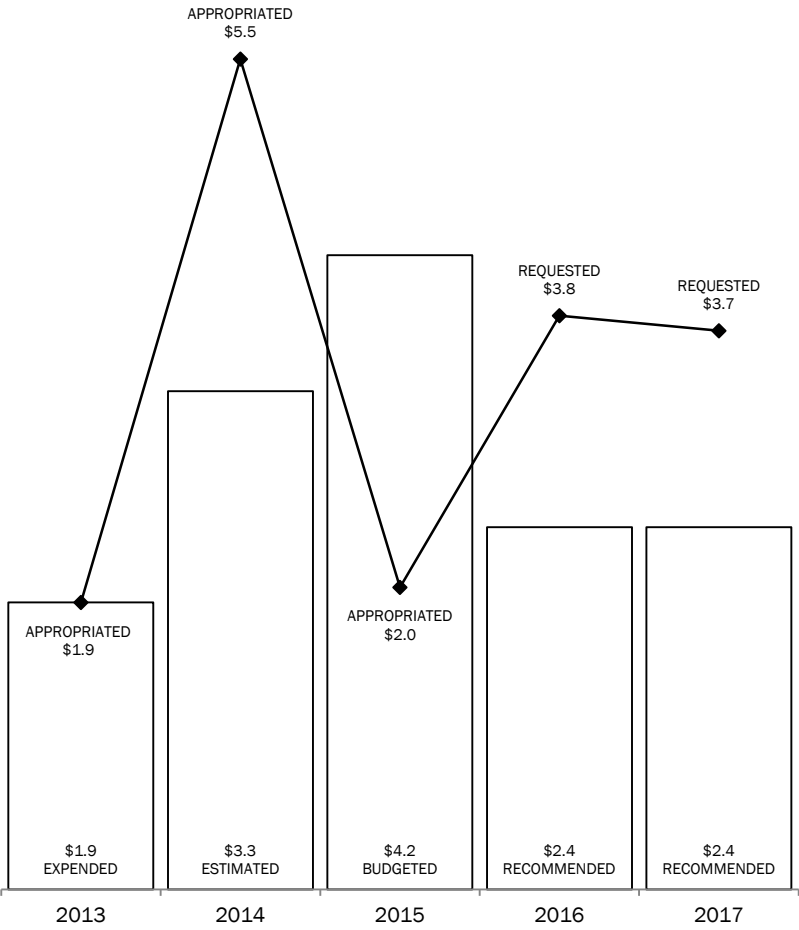
	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	36.0	31.0	(5.0)	(13.9%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING

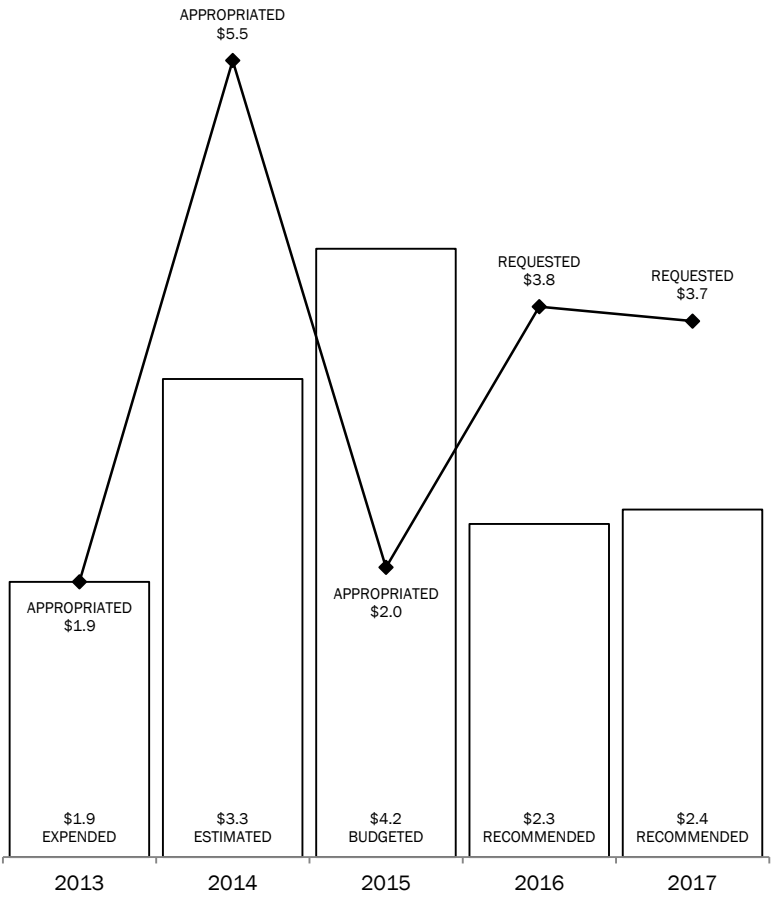


The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

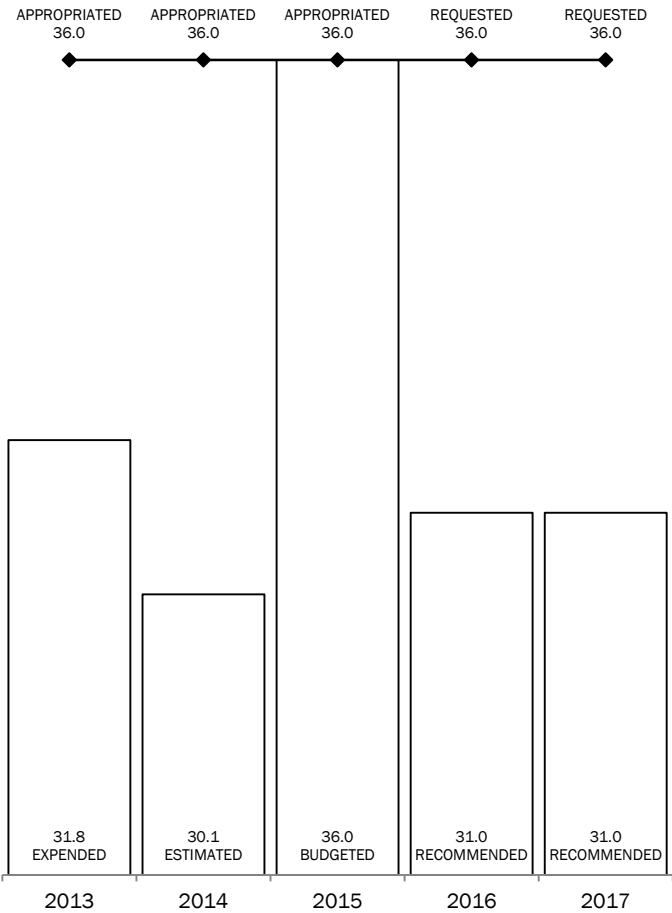
ALL FUNDS



GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS



FULL-TIME-EQUIVALENT POSITIONS



Section 2

Texas Ethics Commission
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
					Recommendations include an overall decrease of \$2.7 million in All Funds across all strategies primarily related to the reduction of a portion of \$3.5 million in one-time General Revenue funding for an electronic filing system reallocated for other purposes (see Selected Fiscal and Policy Issues #1).
DISCLOSURE FILING A.1.1	\$778,428	\$780,088	\$1,660	0.2%	Recommendations reflect a decrease of \$10,000 in Appropriated Receipts for copies related to public requests for information due to the increased use of databases on the agency's website. This amount was offset by an increase of \$11,660 in General Revenue related to the biennialization of the general state employee pay raise.
LEGAL GUIDANCE AND OPINIONS A.1.2	\$752,974	\$753,392	\$418	0.1%	
ENFORCEMENT A.1.3	\$967,364	\$980,994	\$13,630	1.4%	
Total, Goal A, ADMINISTER ETHICS LAWS	\$2,498,766	\$2,514,474	\$15,708	0.6%	
CENTRAL ADMINISTRATION B.1.1	\$673,118	\$647,004	(\$26,114)	(3.9%)	
INFORMATION RESOURCES B.1.2	\$4,328,208	\$1,598,434	(\$2,729,774)	(63.1%)	
Total, Goal B, INDIRECT ADMINISTRATION	\$5,001,326	\$2,245,438	(\$2,755,888)	(55.1%)	
Grand Total, All Strategies	\$7,500,092	\$4,759,912	(\$2,740,180)	(36.5%)	

Section 2

Texas Ethics Commission
Summary of Recommendations - Senate, By Method of Finance -- 1 - General Revenue Fund

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
					Recommendations include an increase of \$24,924 in General Revenue for biennialization of the fiscal year 2015 statewide salary increase across all strategies.
DISCLOSURE FILING A.1.1	\$752,048	\$763,708	\$11,660	1.6%	
LEGAL GUIDANCE AND OPINIONS A.1.2	\$752,974	\$753,392	\$418	0.1%	
ENFORCEMENT A.1.3	\$967,364	\$980,994	\$13,630	1.4%	
Total, Goal A, ADMINISTER ETHICS LAWS	\$2,472,386	\$2,498,094	\$25,708	1.0%	
CENTRAL ADMINISTRATION B.1.1	\$673,118	\$647,004	(\$26,114)	(3.9%)	
INFORMATION RESOURCES B.1.2	\$4,328,208	\$1,598,434	(\$2,729,774)	(63.1%)	Recommendations reflect a decrease in General Revenue primarily related to a reduction of \$3.5 million in one-time funding for an electronic filing system. This amount was offset by an increase of \$0.8 million to support the full implementation of the electronic filing system and provide staff and training to allow the agency to maintain the system in-house (see Selected Fiscal and Policy Issue #1).
Total, Goal B, INDIRECT ADMINISTRATION	\$5,001,326	\$2,245,438	(\$2,755,888)	(55.1%)	
Grand Total, All Strategies	\$7,473,712	\$4,743,532	(\$2,730,180)	(36.5%)	

Section 3

Texas Ethics Commission Selected Fiscal and Policy Issues - Senate

1. **Reduction of Most 2014-15 One-time Funding.** Recommendations include approximately \$0.8 million in General Revenue from a partial reallocation of one-time funding received in the 2014-15 biennium for the following items related to ongoing support of the electronic filing system. The funding would provide support for the full implementation of the new filing system and enable the agency to maintain the system in-house.
 - \$179,400 for hardware and software licenses to support the new electronic filing system;
 - \$86,800 for hardware warranties to support the servers and other IT hardware purchased for the new system;
 - \$350,000 for an extended contract with the developer of the electronic filing system for maintenance and training of agency staff necessary to implement the new system and allow for future maintenance to be completed in house; and
 - \$170,000 to fill a current vacant full-time equivalent (FTE) position with a Java programmer designated to support the new electronic filing system and the agency's website to improve user navigation of the site through mobile devices.

Recommendations do not include the agency's request to reallocate \$2.5 million in General Revenue for enhancements to the electronic filing system and additional agency operations. This reduction includes all items in the agency's 10 percent biennial base reduction options (see Section 7).

Section 3

Ethics Commission
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
Cap	36.0	36.0	36.0	31.0	31.0
Actual/Budgeted	31.8	30.1	36.0	NA	NA
Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$115,000	\$126,500	\$126,500	\$126,500	\$126,500
General Counsel	\$105,000	\$115,500	\$115,500	\$115,500	\$115,000

Recommendations reflect a reduction of 5.0 unfilled FTEs for a Staff Services Officer, Auditor, Attorney, Systems Analyst and Investigator positions.

The agency is not requesting any changes to its Exempt Positions.

State Auditor's Office Report 14-705, *Executive Compensation at State Agencies*, indicates a market average of \$144,675 for the Executive Director position. No changes to the current Group 4 classification were recommended.

The SAO report did not address the General Counsel exempt position.

Section 3

Texas Ethics Commission
Performance Measure Highlights -Senate

		Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
•	Number of Sworn Complaints Processed	251.0	273.0	311.0	311.0	311.0
	Recommendations reflect an decrease in targets related to the decreasing number of sworn complaints filed with the commission over the past several fiscal years. Recommendations provide for Attorney IV position that would not affect number of complaints processed by the commission.					
•	Average Time (Working Days) to Answer Advisory Opinion Requests	39.70	41.00	60.00	60.00	60.00
	Recommendations reflect an increase in targets related to the timing of commission meetings, which are scheduled every 60 days, and can affect the length of time required for an advisory opinion request to be approved. Recommendations provide for Attorney IV position that would not handle advisory opinions.					

Section 4

Texas Ethics Commission
Performance Review and Policy Report Highlights - Senate

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Recommended for Inclusion in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

Texas Ethics Commission
Rider Highlights - Senate

- 2. (revised) **Capital Budget.** Revise rider to align with recommendations.

Section 6

Texas Ethics Commission
Items not Included in Recommendations - Senate

		2016-17 Biennial Total	
		GR & GR-Dedicated	All Funds
Agency Exceptional Items - In Agency Priority Order			
1. Restore base request of \$2.5 million in General Revenue and 5.0 full time equivalents (FTEs) reallocated from a portion of one-time funding received in the 2014-15 biennium for the following items:			
a. Funding for salary increases for professional staff.	\$	200,000	\$ 200,000
b. Funding and 1.0 FTE for Staff Services Officer I position to coordinate ethics training and perform purchasing and travel accounting functions.	\$	90,000	\$ 90,000
c. Funding for anticipated lump sum payments to retiring/terminating staff.	\$	200,000	\$ 200,000
d. Funding and 1.0 FTE for Auditor III position to analyze reports filed with the Commission for compliance.	\$	110,000	\$ 110,000
e. Legal services costs related to the enforcement of laws under the Commission's jurisdiction.	\$	300,000	\$ 300,000
f. Updated Microsoft Office licenses to the most up-to-date version of Microsoft Office available when the agency's Microsoft Office 2007 licenses reach their end-of-life date in 2017.	\$	13,200	\$ 13,200
g. Enhancements to Electronic Filing System for items not included contract for initial design by the developer.	\$	910,000	\$ 910,000
h. Funding and 1.0 FTE for Attorney IV position to respond to sworn complaints and other legal questions.	\$	150,000	\$ 150,000
i. Funding and 1.0 FTE for Investigator III position to improve timeliness of investigation of sworn complaints.	\$	90,000	\$ 90,000
j. Additional travel costs for Commissioners to attend meetings.	\$	16,000	\$ 16,000
k. Purchase 5 tablets and replace 40 desktop PCs that would meet the agency's five-year computer replacement schedule during the 2016-17 biennium.	\$	33,524	\$ 33,524

Section 6

Texas Ethics Commission
Items not Included in Recommendations - Senate

		2016-17 Biennial Total	
		GR & GR-Dedicated	All Funds
I. Online training modules for new filers.		\$ 300,000	\$ 300,000
m. Funding and 1.0 FTE for Systems Support Analyst III position to support local filers with the Commission.		\$ 110,000	\$ 110,000
2. New rider identifying appropriations for legal services costs related to enforcement of laws under the Commission's jurisdiction (see also item 1e above).		\$ -	\$ -
3. New rider providing for Lump Sum Termination Payments by the Comptroller when payments by the Ethics Commission exceed \$11,500 in a fiscal year.		\$ -	\$ -
Total, Items Not Included in the Recommendations		\$ 2,522,724	\$ 2,522,724

Section 7

Texas Ethics Commission
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact (According to the Agency)	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
1	Enhancements to new Electronic Filing Software System	It is hoped that a Commission staff Java programmer and other staff with software engineering experience can, in the long run, accomplish some of the priority enhancements.	\$200,000	\$200,000		\$0	12%	Yes
2	Training Modules for Filers	Existing agency personnel would be used to develop some production and programming of new training modules for filers. Reductions in this item would result in training modules taking longer to produce and the training modules would not be produced by a professional with experience in this area.	\$100,000	\$100,000		\$0	6%	Yes
3	Website Redesign	This item is important as evidenced by the many comments about our website from the customer service surveys. The website redesign would still be undertaken by using Commission staff. Because the staff will be focusing primarily on the new Electronic Filing System, the website redesign will take longer	\$50,000	\$50,000		\$0	4%	Yes
4	Systems Support Specialist III Position	Elimination of this new position would impact filers. With any new system there is initial confusion from filers who would be contacting the information resources staff for assistance in using the new system. Loss of this position would create long wait times for filers seeking agency assistance.	\$110,000	\$110,000	1.0	\$0	8%	Yes
5	Training Events Coordinator Position	The lapse of a significant portion of the training symposium funds in FY 2014 was due to lack of staff time to plan, prepare, and conduct the symposiums. Loss of this new position for a training events coordinator would put the agency back in the same position of having to use existing resources to properly plan, prepare, and conduct training events.	\$116,000	\$116,000	1.0	\$0	54%	Yes
6	Auditor III Position	Loss of this new position would negatively impact agency efforts to vigorously enforce the laws under the Commission's jurisdiction.	\$110,000	\$110,000	1.0	\$0	8%	Yes
7	PCs Refresh	By FY 2017, all of the agency's PCs will be over five years old. Loss of or reduction of this item would take the agency off its life cycle replacement schedule. Continued use of outdated technology may negatively impact agency productivity.	\$33,541	\$33,541		\$0	2%	Yes
8	Staff Salary Adjustments	Our staff is our most valuable asset. We are enduring a loss of experienced personnel due to higher salaries at other state agencies. Reduction of funds to adjust our staff salaries to remain competitive would result in an even larger turnover rate.	\$21,500	\$21,500		\$0	1%	Yes
TOTAL, 10% Reduction Options			\$741,041	\$741,041	3.0	\$0		

Texas Ethics Commission
Summary of 10 Percent Biennial Base Reduction Options - Senate
Agency 10% Reduction Options by Category of Reduction

