

GOVERNMENTAL ETHICS COMMISSION

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ 482,193	\$ 529,298	\$ 529,298	\$ 526,867	\$ 526,867
Federal Funds	-	-	-	-	-
All Other Funds	240,249	284,919	284,919	292,059	292,059
<i>Subtotal</i>	<u>\$ 722,442</u>	<u>\$ 814,217</u>	<u>\$ 814,217</u>	<u>\$ 818,926</u>	<u>\$ 818,926</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 722,442</u>	<u>\$ 814,217</u>	<u>\$ 814,217</u>	<u>\$ 818,926</u>	<u>\$ 818,926</u>
Percentage Change:					
State General Fund	2.5 %	9.8 %	9.8 %	(0.5) %	(0.5) %
All Funds	2.7 %	12.7 %	12.7 %	0.6 %	0.6 %
FTE Positions	8.5	8.5	8.5	8.5	8.5

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. The Commission also 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 conduct comprehensive audits of previous filings; process new candidate Appointment of Treasurer forms and Political Action Committee Statement of Organization forms; ensure all persons subject to Commission regulation receive all pertinent campaign finance information for upcoming elections; process failure-to-file notices; and file complaints. During election years, the Commission devotes a majority 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. The agency also provides the public with timely reports and statistical summaries of information filed by lobbyists, candidates for state office, political action committees, and party committees.

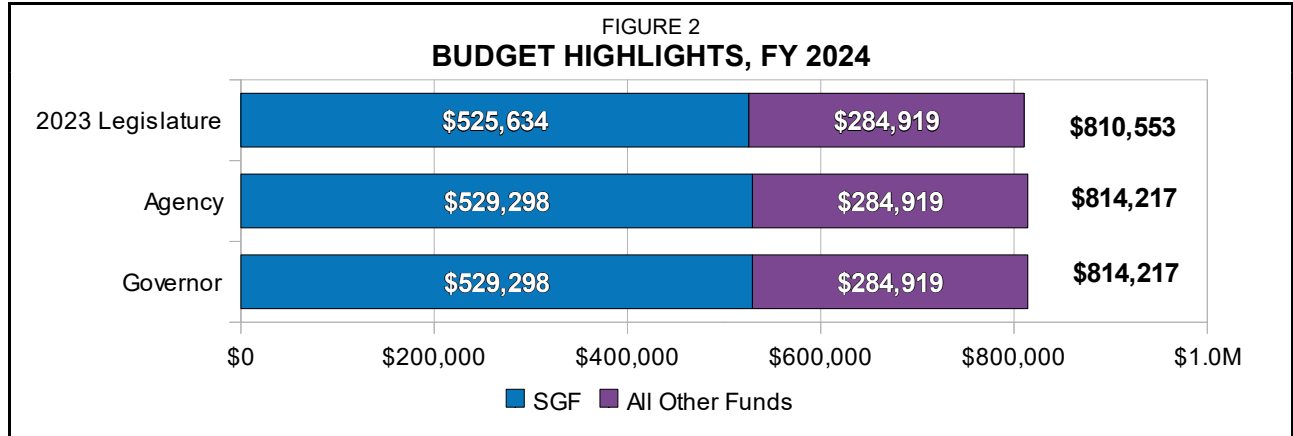
STATUTORY BASIS: • KSA 25-4119a *et seq.*

AGENCY GOALS:

- Educate and inform citizens about the laws under the jurisdiction of the Governmental Ethics Commission.
- Ensure that state officers, state employees, lobbyists, and candidates for office comply with governmental ethics laws, including provisions relating to conflicts of interests and lobbying, as well as campaign finance laws.
- Provide the public with timely reports and statistical summaries of information filed by political action committees, party committees, lobbyists, and candidates for state office.

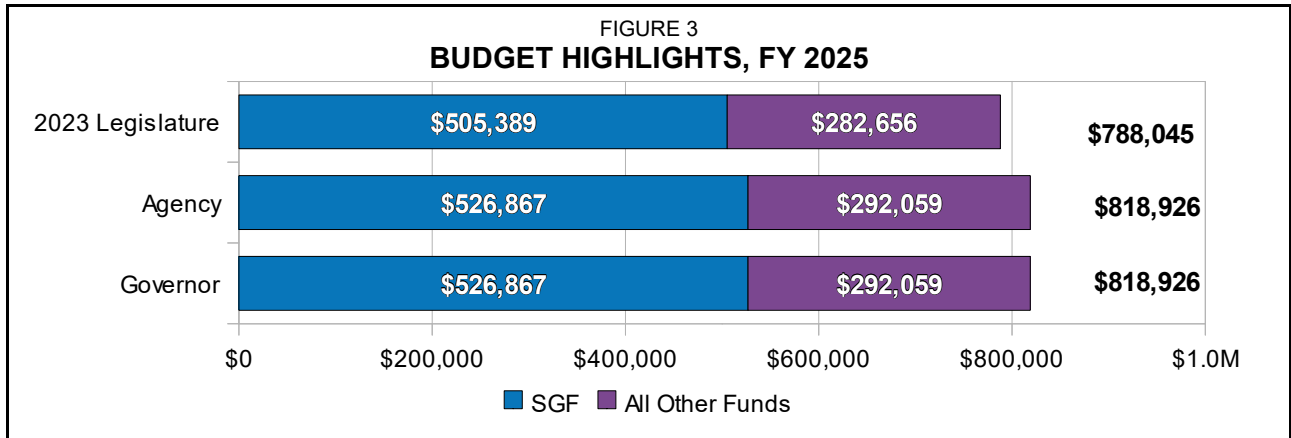
EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$805,401, including \$520,482 from the State General Fund (SGF), for the Governmental Ethics Commission for FY 2024. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency reappropriated \$5,152 SGF from FY 2023 into FY 2024 due to an invoice that was not processed until the first days of FY 2024. This reappropriation gives the agency an approved budget of \$810,553, including \$525,634 SGF, in FY 2024.



The **agency** submits a revised estimate of \$814,217, including \$529,298 SGF, in expenditures and 8.5 FTE positions in FY 2024. This is an increase of \$3,664, or 0.5 percent, above the FY 2024 approved amount. The increase is attributable to a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25.

The **Governor** concurs with the agency's revised estimate in FY 2024.



The **agency** requests \$818,926, including \$526,867 SGF, in expenditures and 8.5 FTE positions for FY 2025. This is an increase of \$30,881, or 3.9 percent, above the FY 2025 approved amount. The increase is primarily attributable to employer contributions for fringe benefits, such as group health insurance. In addition, the increase is partially attributable to changes in subscription rates for Westlaw and other database services the agency utilizes.

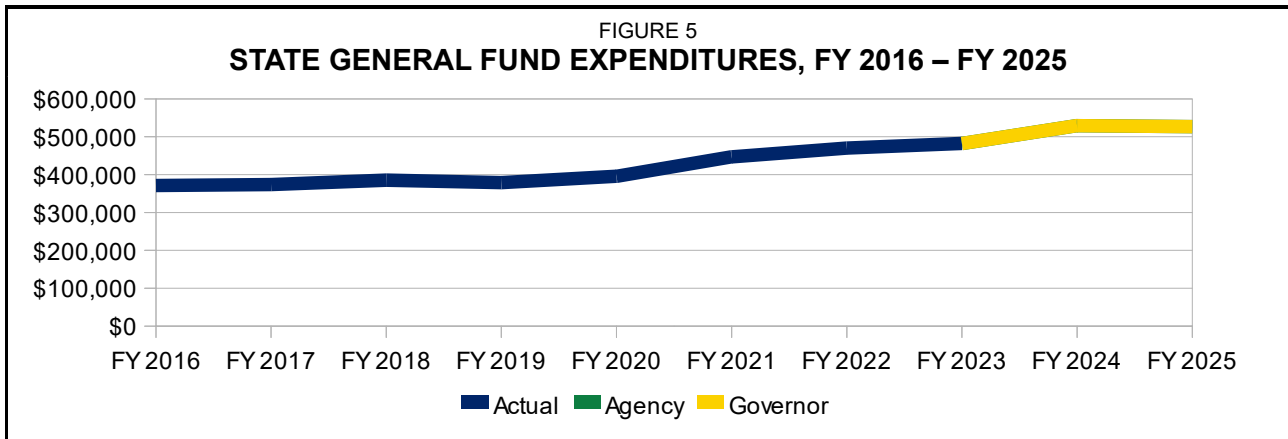
The **Governor** concurs with the agency's revised estimate for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

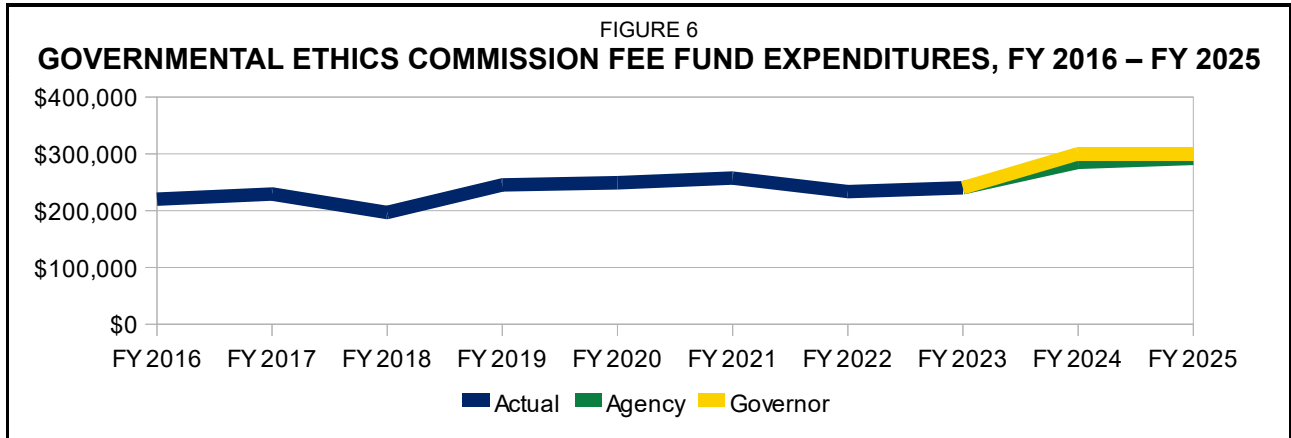
Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 597,458	\$ 661,313	\$ 661,313	\$ 660,595	\$ 660,595
Contractual Services	120,840	147,804	147,804	153,231	153,231
Commodities	2,831	4,500	4,500	4,500	4,500
Capital Outlay	1,313	600	600	600	600
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 722,442</u>	<u>\$ 814,217</u>	<u>\$ 814,217</u>	<u>\$ 818,926</u>	<u>\$ 818,926</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 722,442</u>	<u>\$ 814,217</u>	<u>\$ 814,217</u>	<u>\$ 818,926</u>	<u>\$ 818,926</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 722,442</u>	<u>\$ 814,217</u>	<u>\$ 814,217</u>	<u>\$ 818,926</u>	<u>\$ 818,926</u>
Financing:					
State General Fund	\$ 482,193	\$ 529,298	\$ 529,298	\$ 526,867	\$ 526,867
Federal Funds	-	-	-	-	-
All Other Funds	240,249	284,919	284,919	292,059	292,059
TOTAL	<u>\$ 722,442</u>	<u>\$ 814,217</u>	<u>\$ 814,217</u>	<u>\$ 818,926</u>	<u>\$ 818,926</u>
FTE Positions	8.5	8.5	8.5	8.5	8.5

STATE GENERAL FUND



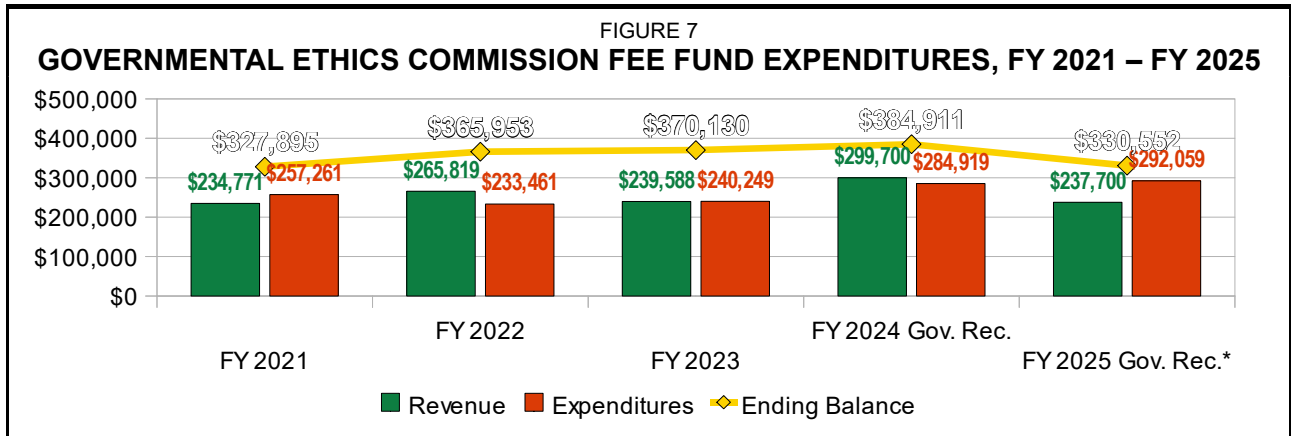
For the Governmental Ethics Commission, SGF expenditures have remained relatively consistent between FY 2015 and FY 2020. In FY 2021, SGF expenditures increased due to the 2019 Legislature adding \$60,000 to the agency's budget to bring funding in line with historical levels of SGF support and avoid depletion of the agency fee fund. Furthermore, the 2023 Legislature added \$13,000 SGF for FY 2024 and for FY 2025 as a result of the enactment of 2023 SB 208, which requires the agency to maintain a separate attorney during Commission meetings and for hearings held by the Office of Administrative Hearings. SB 208 also requires the agency to deposit civil fines assessed by the agency into the SGF. The increase between the FY 2023 actuals and the FY 2024 revised estimate is due to the agency's reappropriation of \$5,152 SGF into FY 2024, as well as the agency's supplemental request of \$3,664 SGF to account for the pay plan shortfall within 2023 Senate Bill 25, and general cost increases associated with inflation. Since the additional funding in FY 2021, expenditure levels have remained relatively consistent.

GOVERNMENTAL ETHICS COMMISSION FEE FUND



The Governmental Ethics Commission Fee Fund is a statutory fee fund. It is funded by candidate filing fees, lobbyist registration fees, political action committees fees, and registration fees. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the SGF, up to a maximum of \$100,000 per fiscal year per fund.

GOVERNMENTAL ETHICS COMMISSION FEE FUND



* For FY 2025, the lowest month ending balance for the Governmental Ethics Commission Fee Fund will occur in January, with a balance of \$301,454.

The Governmental Ethics Commission Fee Fund collects revenue from fees paid by political action committees, lobbyists, and candidates. The amount of revenue collected varies each year depending on the election year cycle and the number of elections that are held. For example, the agency anticipates the number of candidates who file in FY 2024 will be an increase above the number of candidates who filed in FY 2022 because all positions in the Kansas Senate and Kansas House of Representatives are up for election in 2024. (Note: The agency does not anticipate that the enactment of SB 208 will have an impact on the Governmental Ethics Commission Fee Fund because, although civil fines are now deposited into the SGF rather than this fund, SB 208 raised political action committee registration fees to adjust for the loss of revenue.)

FIGURE 8
FILING AND REGISTRATION FEES, FY 2024

License	Current Fee	Statutory Limit	Authority
Candidate filing fee for statewide offices	\$ 650	\$ 650	KSA 25-4119a
Candidate filing fee for state or local offices	\$ 50	\$ 50	KSA 25-4119a
Lobbyist registration fee (anticipated expenditures of \$1,000 or less on behalf of an employer, per each employer)	\$ 50	\$ 50	KSA 46-265
Lobbyist registration fee (anticipated expenditures of more than \$1,000 on behalf of an employer, per each employer)	\$ 350	\$ 350	KSA 46-265
Lobbyist registration fee for employees of lobbying firms	\$ 450	\$ 450	KSA 46-265
Political Action Committee registration fee (anticipated contribution receipts of \$2,500 or less)	\$ 50	\$ 50	KSA 25-4145
Political Action Committee registration fee (anticipated contribution receipts between \$2,501 and \$7,500)	\$ 250	\$ 250	KSA 25-4145
Political Action Committee registration fee (anticipated contribution receipts between \$7,501 and \$15,000)	\$ 500	\$ 500	KSA 25-4145
Political Action Committee registration fee (anticipated contribution receipts of more than \$15,000)	\$ 750	\$ 750	KSA 25-4145

* *Staff note:* This table has been updated to reflect the current fee amounts that went into effect following the enactment of 2023 House Sub. for SB 208.

FY 2024 ANALYSIS

FIGURE 9

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ 520,482	\$ 805,401	8.5
1. SGF Reappropriation	5,152	5,152	--
<i>Subtotal—Legislative Approved</i>	\$ 525,634	\$ 810,553	8.5
Agency Revised Estimate:			
Supplemental Requests:			
2. Pay Plan Shortfall	\$ 3,664	\$ 3,664	--
<i>Subtotal—Supplemental Requests Only</i>	\$ 3,664	\$ 3,664	--
3. No Changes	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	\$ 529,298	\$ 814,217	8.5
Governor’s Recommendation:			
4. Supplementals Not Recommended	\$ -	\$ -	--
TOTAL	\$ 529,298	\$ 814,217	8.5

LEGISLATIVE APPROVED

Subsequent to the 2023 Session, one adjustment was made to the \$805,401, including \$520,482 SGF, appropriated to the Governmental Ethics Commission for FY 2024. The following adjustment changes the current year approved amount without any legislative action required:

1. **SGF REAPPROPRIATION.** The agency reappropriated \$5,152 in unspent SGF moneys from FY 2023 into FY 2024, giving the agency an approved budget of \$810,553, including \$525,634 SGF, in FY 2024 without any legislative action required. The reappropriation occurred because a billing invoice that the agency anticipated receiving and subsequently paying in FY 2023 was not processed by the agency until FY 2024.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$814,217, including \$529,298 SGF, in expenditures in FY 2024. This is an increase of \$3,664, or 0.5 percent, above the FY 2024 approved amount to account for a shortfall in appropriations that occurred after the 2023 Legislature adjourned for the Session.

The revised estimate includes \$3,664, all from the SGF, for the following supplemental request:

2. **PAY PLAN SHORTFALL.** The revised estimate includes \$3,664 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature appropriated \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8 million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For the Governmental Ethics Commission, a supplemental appropriation of \$3,664 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

Absent the supplemental request, the revised estimate contains no major changes from the amount previously approved by the 2023 Legislature. Although there are no major changes from the approved amount for FY 2024, aside from the supplemental request, the revised estimate includes the following adjustments:

3. **NO CHANGES.** Although the revised estimate includes no major changes from the approved amount for FY 2024, the agency shifted a nominal amount of unexpended resources into the contractual services category of expenditures in order to pay for increased subscription rates for database services, such as Westlaw, that the agency routinely utilizes.

The **agency's** estimate also includes 8.5 FTE positions, which is the same as the approved number of positions in FY 2024.

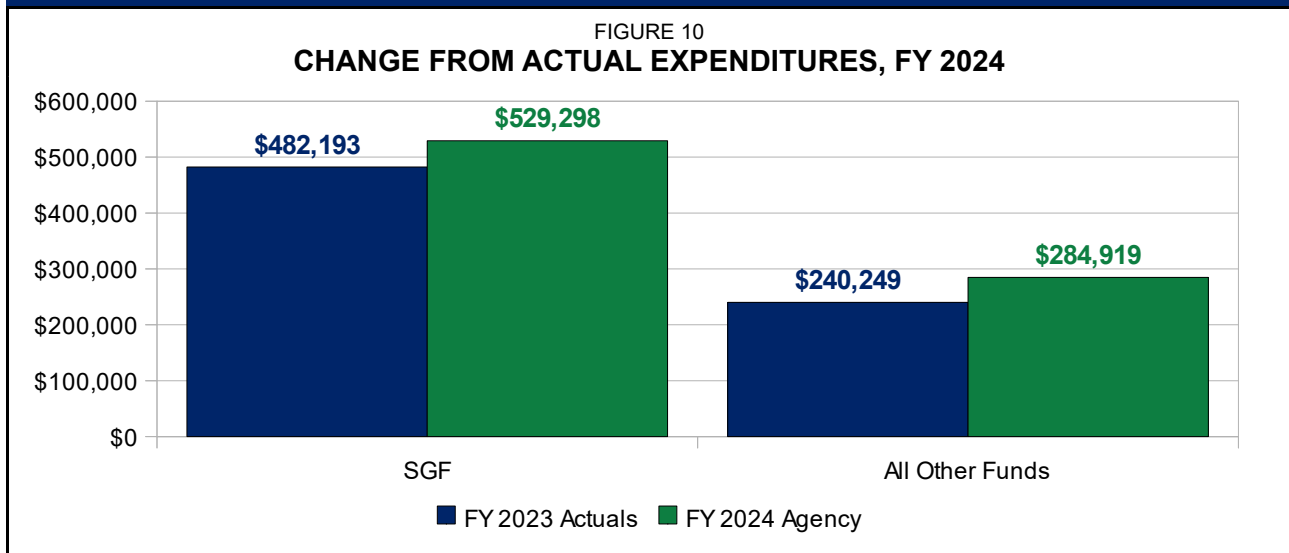
GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate of \$814,217, including \$529,298 SGF, in FY 2024.

4. **NO CHANGES.** The Governor does not recommend any changes to the agency's revised estimate.

The **Governor's** recommendation also includes 8.5 FTE positions, which is the same as the agency's revised estimate in FY 2024.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$814,217, including \$529,298 SGF, in FY 2024. This represents an all funds increase of \$91,775, or 12.7 percent, and an SGF increase of \$47,105, or 9.8 percent, above the FY 2023 actual expenditures. This is primarily due to the pay plan shortfall associated with 2023 SB 25, as well as an increase in employer contributions for fringe benefits and an increase in printing and communication costs. The agency notes that printing costs typically increase in non-election fiscal years due to material being prepared for the upcoming election in order to ensure individuals receive the information necessary to comply with the reporting requirements of the campaign finance, lobbying, and conflicts of interests laws.

FY 2025 ANALYSIS

FIGURE 11

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
Agency Revised Estimate*:			
Revised Estimate without Major Changes	\$ 505,389	\$ 788,045	8.5
Agency Requests:			
1. Other Adjustments	\$ 21,478	\$ 30,881	--
<i>Subtotal—Agency Revised Estimate</i>	\$ 526,867	\$ 818,926	8.5
Governor’s Recommendation:			
2. No Changes	-	-	--
TOTAL	\$ 526,867	\$ 818,926	8.5

* Staff note: The 2023 Legislature approved a budget of \$818,926, including \$526,867 SGF, and 8.5 FTE positions for FY 2025.

AGENCY REVISED ESTIMATE

The **agency** submits a revised estimate of \$818,926, including \$526,867 SGF, in expenditures for FY 2025. This is an all funds increase of \$30,881, or 3.9 percent, and an SGF increase of \$21,478, or 4.2 percent, above the FY 2025 approved amount. In addition, this is an all funds increase of \$4,709, or 0.6 percent, above the FY 2024 revised estimate, and an SGF decrease of \$2,431, or 0.5 percent, from the FY 2024 revised estimate. Although there are no major changes from the approved amount for FY 2025, the revised estimate includes the following adjustments:

1. **OTHER ADJUSTMENTS.** For FY 2025, there is an all funds increase of \$30,881, or 3.9 percent, and an SGF increase of \$21,478, or 4.2 percent, above the FY 2025 approved amount. The increase is largely attributable to the pay plan approved by the 2023 Legislature and greater employer contributions for fringe benefits, such as group health insurance. In addition, the increase is partially attributable to changes in subscription rates for database services, such as Westlaw, that the agency routinely utilizes.

The **agency’s** request also includes 8.5 FTE positions, which is the same as the approved number of positions in FY 2024.

GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate of \$818,926, including \$526,867 SGF, for FY 2025.

2. **NO CHANGES.** The Governor does not recommend any changes to the agency's revised estimate for FY 2025.

The **Governor’s** recommendation also includes 8.5 FTE positions, which is the same as the revised estimate for FY 2025.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 12

SUPPLEMENTAL AND ENHANCEMENT REQUESTS, FY 2024 – FY 2025

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
FY 2024 Supplementals:						
1. Pay Plan Shortfall	\$ 3,664	\$ 3,664	-	\$ 3,664	\$ 3,664	-

1. **PAY PLAN SHORTFALL.** The revised estimate includes \$3,664 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature appropriated \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8 million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For the Governmental Ethics Commission, a supplemental appropriation of \$3,664 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

The Governor recommends adoption of this request.