



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

**Bill #** HB0752

**Title:** Create ethics commission

**Primary Sponsor:** Sinrud, John

**Status:** As Introduced-Corrected

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$94,289	\$93,926	\$96,274	\$98,682
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>(\$94,289)</u>	<u>(\$93,926)</u>	<u>(\$96,274)</u>	<u>(\$98,682)</u>

#### Description of Fiscal Impact:

This bill creates an ethics commission which for the purposes of this fiscal note will assume the base budget of the existing Office of the Commissioner of Political Practices.

### FISCAL ANALYSIS

#### Assumptions:

##### **Office of the State Ethics Commission - New**

1. It is assumed that the base budget for the Office of the Commissioner of Political Practices (CPP) would become the base budget for the Office of the State Ethics Commission. The current staff of 5.00 FTE would become the staff for the State Ethics Commission. The FTE used for the Commissioner position would be used for the person selected as the Executive Director of the new commission.
2. This bill would create a State Ethics Commission made up of four members. Each member would be paid \$50 per day and would be reimbursed for travel expenses. For fiscal note purposes, it is assumed that there would be 10 regular meetings per year. In FY 2008 there would be a minimum of four additional

meetings for organization, hiring of staff, orientation etc. Per diem costs would be \$2,000 annually (\$50 \* 10 meetings \* 4 members = \$2,000) with an additional \$800 in FY 2008 for the extra meetings.

3. It is assumed that 3 of the 4 members will be traveling from out of town with round trips of 100 miles. Each member would be reimbursed at a rate of 48.5 cents/mile for a total annual travel cost of \$1,455 (3 members \* 100 miles \* \$0.485 \* 10 meetings = \$1,455). The additional 4 meetings in FY 2008 would add \$582 for a FY 2008 total of \$2,037. Lodging and meals would be \$318/meeting for a FY 2008 cost of \$4,452 and a total of \$3,180 in subsequent years.
4. The bill allows for the commission to hire a staff attorney. A 1.00 FTE staff attorney would cost approximately \$85,000 per year.
5. A 2.5% inflation factor was applied to new costs estimated for this bill.
6. Current office space is not sufficient to hold meetings. Either the commission would have to rent a facility or look at a re-model of existing office space. These costs cannot be determined at this time.

	<b><u>FY 2008</u></b> <b><u>Difference</u></b>	<b><u>FY 2009</u></b> <b><u>Difference</u></b>	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Office of the State Ethics Commission - New</b>				
FTE	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$85,000	\$87,125	\$89,303	\$91,536
Operating Expenses	\$9,289	\$6,801	\$6,971	\$7,146
<b>TOTAL Expenditures</b>	<b><u>\$94,289</u></b>	<b><u>\$93,926</u></b>	<b><u>\$96,274</u></b>	<b><u>\$98,682</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$94,289	\$93,926	\$96,274	\$98,682
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$94,289)	(\$93,926)	(\$96,274)	(\$98,682)

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*