

**Agency Budget Comparison**

The following table summarizes the total executive budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	6.00	6.00	7.00	7.00	6.00	7.00	1.00	16.67%
Personal Services	263,000	306,626	385,271	384,934	569,626	770,205	200,579	35.21%
Operating Expenses	216,605	260,402	202,255	170,872	477,007	373,127	(103,880)	(21.78%)
<b>Total Costs</b>	<b>\$479,605</b>	<b>\$567,028</b>	<b>\$587,526</b>	<b>\$555,806</b>	<b>\$1,046,633</b>	<b>\$1,143,332</b>	<b>\$96,699</b>	<b>9.24%</b>
General Fund	479,605	567,028	587,526	555,806	1,046,633	1,143,332	96,699	9.24%
<b>Total Funds</b>	<b>\$479,605</b>	<b>\$567,028</b>	<b>\$587,526</b>	<b>\$555,806</b>	<b>\$1,046,633</b>	<b>\$1,143,332</b>	<b>\$96,699</b>	<b>9.24%</b>

**Agency Description**

Agency Mission: To monitor and to enforce, in a fair and impartial manner: campaign practices and campaign finance disclosure; lobbying disclosure; business interest disclosure of statewide and state district candidates, elected state officials, and state department directors, ethical standards of conduct for legislators, public officers, and state employees, and to investigate legitimate complaints that arise concerning any of the foregoing.

For additional information please refer to the agency profile.

**Agency Highlights**

<b>Commissioner of Political Practices Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive proposes to add an in-house legal counsel and eliminate contracted legal services reducing general fund for legal costs by \$27,000 over the 2015 biennium</li> <li>◆ Other increases include statewide present law adjustments for personal services and fixed costs</li> </ul>

**Agency Discussion**

The State Administration and Veteran’s Affairs Interim Committee requested HB 23, an act that:

- Revises ethics violation laws for the Office of Commission of Political Practices (COPP)
- Prohibits the commissioner from engaging in private business during office hours
- Provides for resolution of charges of ethics violations by the COPP

*Agency Personal Services*

The executive proposes to add 1.00 FTE and general fund support for a legal counsel. The overall impact of the proposal is a reduction of just over \$27,000 in general fund over the 2015 biennium because of an offsetting reduction in current costs to contract for legal representation through the Department of Justice. The personal services budget for the 2015 biennium increases over the FY 2012 base due to:

- An overall vacancy savings rate of 8.3% compared to a budgeted 0% rate
- Annualization of broadband pay increases that were granted at various times in FY 2012

As of December 11, 2012, there was administrative assistance position that has been vacant since May 1, 2007

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The COPP is exempt from this requirement due to its small size as an agency.

*IT Systems*

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- o New
- o Emerging
- o Mature
- o Declining
- o Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- o Current plans to address obsolescence
- o Costs to replace the system
- o Costs of maintaining the current system
- o Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

*Agency Goals and Objectives*

Goals and objectives for the agency can be found in the appendix.

**Funding**

The following table shows agency funding by source of authority, as proposed by the executive. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Comm Of Political Practices Funding by Source of Authority 2015 Biennium Budget - Administration							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$1,143,332</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,143,332</b>	100.0%		
<b>Total All Funds</b>	<b>\$1,143,332</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,143,332</b>	100.0%		
<b>Percent - Total All Sou</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The Office of the Commissioner of Political Practices is funded entirely with general fund. A small amount of revenue is generated from nominal fees for printing and distribution, as well as civil fines for violation of campaign laws. Both are deposited into the general fund. In addition, COPP collects a \$150 lobbyist filing fee that is also deposited into the general fund. Of this amount, \$100 is transferred to a state special revenue account for appropriation to the Legislative Services Division to support the state broadcasting system TVMT. The lobbyist license expires at the end of each odd numbered year, just before the start of the legislative session.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	479,605	479,605	959,210	83.90%	479,605	479,605	959,210	83.90%
Statewide PL Adjustments	87,339	79,064	166,403	14.55%	87,339	79,064	166,403	14.55%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	20,582	(2,863)	17,719	1.55%	20,582	(2,863)	17,719	1.55%
<b>Total Budget</b>	<b>\$587,526</b>	<b>\$555,806</b>	<b>\$1,143,332</b>		<b>\$587,526</b>	<b>\$555,806</b>	<b>\$1,143,332</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					50,768					50,476
Inflation/Deflation					76					153
Fixed Costs					36,495					28,435
<b>Total Statewide Present Law Adjustments</b>		<b>\$87,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,339</b>		<b>\$79,064</b>	<b>\$0</b>	<b>\$0</b>	<b>\$79,064</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$87,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,339</b>	<b>0.00</b>	<b>\$79,064</b>	<b>\$0</b>	<b>\$0</b>	<b>\$79,064</b>

Statewide present law adjustments include increases in personal services for the vacant administrative position, annualization of the broadband pay adjustments, and statutorily required longevity.

**New Proposals**

New Proposals	Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Agency Legal Counsel											
	01	1.00	(13,497)	0	0	(13,497)	1.00	(13,542)	0	0	(13,542)
DP 3 - Change in Agency Location OTO											
	01	0.00	34,630	0	0	34,630	0.00	11,230	0	0	11,230
DP 6101 - Professional Development Center Training											
	01	0.00	(551)	0	0	(551)	0.00	(551)	0	0	(551)
<b>Total</b>		<b>1.00</b>	<b>\$20,582</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,582</b>	<b>1.00</b>	<b>(\$2,863)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,863)</b>

DP 1 - Agency Legal Counsel - The executive is requesting funding for a 1.00 FTE for a Legal Counsel. COPP receives numerous complaints each year requiring a significant amount of time to resolve. The contracted attorney from the

Department of Justice can't keep up with the investigator. Currently there are 31 cases on the complaint docket. Sixteen cases have been fully investigated and are ready for a decision. In addition to the complaint docket COPP has seven pending lawsuits. The proposal includes a reduction for the cost of the contracted attorney.

**LFD  
COMMENT**

The reduction in overall spending is due to elimination of contracted legal services which were charged at a higher rate than the cost of the in-house legal counsel.

DP 3 - Change in Agency Location OTO - The executive is requesting one-time-only funding to move the office in FY 2014. COPP proposes to move to a larger location that will accommodate 7.00 FTE and filing space. In addition, during the busy election season the COPP employs temporary staff to assist with scanning and filing documents.

DP 6101 - Professional Development Center Training - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.