

ETHICS BOARD

Budget Summary						FTE Position Summary				
Fund	2006-07	Request		2007-09 Change Over		2006-07	Request		2008-09	
	Adjusted Base	2007-08	2008-09	Base Year Doubled	Amount		%	2007-08	2008-09	Number
GPR	\$286,000	\$318,300	\$318,300	\$64,600	11.3%	2.30	2.30	2.30	0.00	0.0%
PR	<u>409,500</u>	<u>426,200</u>	<u>426,200</u>	<u>33,400</u>	4.1	<u>3.45</u>	<u>3.45</u>	<u>3.45</u>	<u>0.00</u>	0.0
TOTAL	\$695,500	\$744,500	\$744,500	\$98,000	7.0%	5.75	5.75	5.75	0.00	0.0%

Major Request Item

1. INVESTIGATION COSTS

Request the following revisions to current law procedures for the funding of investigations undertaken by the Ethics Board:

Sum Sufficient Appropriation for Investigation Costs. Request the authority to charge any costs and expenses incurred by the Board for investigations and civil hearings related to possible violations of the ethics code or lobbying laws to a sum sufficient GPR appropriation either by: (a) amending the Board's existing code of ethics investigations biennial appropriation into a GPR sum sufficient appropriation renamed the "investigations and hearings appropriation"; or (b) amending the existing Department of Justice sum sufficient appropriation for the compensation of special counsel. [The Board has submitted two alternative proposals.] Under the Board's requests, all such costs and expenses incurred by the Board after July 1, 2006, could be charged retroactively to the relevant sum sufficient appropriation.

Joint Committee on Finance Approval of Investigation Costs above a Certain Threshold. Require the Board, within 30 days of the end of each calendar quarter, to submit a report to the Co-Chairs of the Joint Committee on Finance of the agency's expenditures made from the relevant sum sufficient appropriation for allowable investigative expenses during the preceding quarter. Specify that the Board would be precluded from charging total expenditures for the costs of investigations to the relevant sum sufficient appropriation in any fiscal year that exceeded 140% of the pay range maximum of the highest pay range to which senior criminal investigators in the classified state service are assigned (as determined by the Director of the Office of State Employment Relations), unless the Joint Committee on Finance approved the additional expenditures under a 14-day passive review process. [It is estimated that this expenditure threshold would be approximately \$128,700 GPR annually.] Require the Board to notify the Co-Chairs of the maximum amount that the Board would propose charging to the sum sufficient appropriation during the fiscal year. If the Board's request were approved under the 14-day

passive review process, the Board would be limited to spending no more than the amount identified to the Joint Committee on Finance under the passive review process.

Retention of Attorneys for Board Investigations Exempted from Gubernatorial Prior Approval. Request exemption from the current law requirement that no executive branch state agency, with certain exceptions, may employ outside counsel without the Governor's approval. Under current law, the Governor's prior approval is generally required for the appointment of outside counsel by executive branch agencies. The requested change would authorize the Board to retain outside counsel for investigations and civil hearings without the Governor's approval.

Budgeted Costs During the 2007-09 Biennium. The Board's request does not include an estimate of the investigative and civil hearing expenses likely to be charged against either requested sum sufficient appropriation during 2007-09. As a result, there is no budgeted cost associated with the requested creation of this sum sufficient expenditure authority.

Current Law--Existing Ethics Investigations Biennial Appropriation. Provisions of 2003 Wisconsin Act 33 (the 2003-05 biennial budget act) created the code of ethics investigations biennial appropriation for the purpose of funding costs associated with the Board's ethics code investigations and provided funding of \$6,700 GPR annually. Provisions of 2005 Wisconsin Act 25 (the 2005-07 biennial budget act) provided additional funding to this appropriation of \$26,100 GPR annually. The revised funding level under Act 25 (\$32,800 GPR annually) reflects the average annual investigation costs incurred in the 10 fiscal years from 1983-84 through 2003-04 with the highest expenditures.

10% Budget Reduction Plan

	<u>Amount of Reduction</u>	
	<u>2007-08</u>	<u>2008-09</u>
General Purpose Revenue (GPR)		
Delete Ethics Investigations Funding. Delete \$28,600 annually in funding provided to the Board's code of ethics investigations appropriation for costs incurred by the Board to investigate alleged ethics violations by state public officials and employees. Board staff has expressed concern, however, that this plan would reduce the Board's ability to carry out ethics investigations.	\$28,600	\$28,600