

Governmental Ethics Commission
Revised FY 2024-FY 2025
Narrative Information

Agency Mission:

The mission of the Kansas Governmental Ethics Commission is to provide the public with timely and accurate information they need for knowledgeable participation in government and the electoral process.

Agency Philosophy:

The Kansas Governmental Ethics Commission believes the strongest safeguard against unethical conduct by public officials and employees is an informed and active public. Further, for the disclosure elements of the legislation to have meaning, the public must be made aware of the legislation and the information which is disclosed must be accessible to them. Therefore, the Commission will act in accordance with accountability, efficiency and impartiality. The Commission's staff approach their duties with a dedicated sense of purpose and responsibility to the individuals subject to the Campaign Finance Act and the State Governmental Ethics Laws. Consequently, the staff will perform their statutory duties in a manner that will merit public esteem through the philosophy of a service-oriented agency to aid individuals in complying with applicable laws by responding quickly, accurately, and impartially.

Agency Goal:

The Commission's goal is to provide full compliance with the Campaign Finance (KSA 25-4142 et seq.), Conflict of Interests and Lobbying provisions (KSA 46-215 et seq.), as they relate to state officers, state employees, candidates for state, county, first class city office, and lobbyists.

Objectives:

- To improve the timeliness and accuracy of reports filed.
- To educate those under the jurisdiction of the Commission.
- To bring public awareness to the Commission and the laws under its jurisdiction to create a more informed public.
- To provide the public with timely reports and statistical summaries of information filed by lobbyists, candidates for state office, political action committees, and party committees.

Strategies:

- Increase the accuracy of reports filed by conducting training seminars and providing publications tailored to meet the needs of candidates, legislators, other public officials, lobbyists and state employees.
- Maintain timely compliance by continuing to mail reminder notices and explore other alternatives to achieve timely compliance.
- Conduct educational and informational programs for the public.

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- Build, encourage, and sustain communications (either written or verbal) to assist those individuals subject to applicable laws to ensure timely and accurate disclosure.
- Maintain communication, with the ability to exchange required information and reports, with the Secretary of State, the 105 county clerks/election officers, and the city clerks in the 26 first class cities in a timely fashion to better serve individuals in meeting the statutory requirements.
- Provide the public with timely access to the receipts and expenditures reports filed by candidates for state office, political action committees and party committees on the Commission's website.
- Continue to improve the data and information provided to the public on the Commission's website.

Commission Long Range Goals:

The long range goals of the Commission will be to:

- Require the electronic filing of all state level campaign finance reports.
- Continue to improve the Commission's website by providing accessible campaign finance data as well as more data on lobbyists and their clients.
- Increase public access to and salience of all public reports submitted to the Commission.
- Seek new approaches to training to increase awareness of and compliance with laws under the Commission's jurisdiction.

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Output Measures:

Number of **candidates, party and political committees** subject to the Campaign Finance Act, number of reports to be filed, and percentage of compliance reviews completed.

	FY 2022 Actual Services	FY 2023 Actual Services	FY 2024 Projected Services	FY 2025 Projected Services
State & Local Candidates	927	840	1715	900
PACs/Parties	429	438	413	413
# of Affidavits	190	382	92	1005
# of Reports	1482	2519	1534	3280
Percentage Reviewed	100%	100%	100%	100%

Number of **Lobbyist** registrations and expenditure reports filed, and percentage of compliance reviews complete.

	FY 2022 Actual Services	FY 2023 Actual Services	FY 2024 Projected Services	FY 2025 Projected Services
Registrations	1914	1930	1950	2000
# of Reports	7884	8069	8070	8075
# of Affidavits	731	744	750	775
Percentage Reviewed	100%	100%	100%	100%

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Number of **Statements of Substantial Interests** filed, and percentage of compliance reviews completed.

	FY 2022 Actual Services	FY 2023 Actual Services	FY 2024 Projected Services	FY 2025 Projected Services
# Filed	5771	5909	6025	5838
Percentage Reviewed	100%	100%	100%	100%

Outcome Measures:

Percentage of individuals receiving Past Due Notices and Notifications of Failure to File required reports and statements.

	FY 2022 Actual Services	FY 2023 Actual Services	FY 2024 Projected Services	FY 2025 Projected Services
Campaign Finance	7.8%	8.1%	6.5%	6.8%
Lobbying	1.0%	1.2%	1.3%	1.3%
Financial Disclosure	0.3%	0.5%	0.3%	0.3%

Percentage of individuals receiving Notifications of Errors and Omissions for reports and statements:

	FY 2022 Actual Services	FY 2023 Actual Services	FY 2024 Projected Services	FY 2025 Projected Services
Campaign Finance	14.4%	16.2%	14.3%	17.1%
Lobbying	0.0%	0.0%	0.1%	0.1%
Financial Disclosure	0.1%	0.1%	0.1%	0.1%

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Agency Overview

FY 2024 Adjusted Budget Request - Current Year:

The agency's revised FY 2024 budget totals \$809,065, which is no change from the approved amount other than the shrinkage adjustment attributable to the statewide pay plan shortfall. This budget includes \$520,482 in state general funds, which is similarly unchanged. There are some minor changes within categories, the most substantial as itemized below:

- Some IT expenses were recategorized to more properly match the expenditure,
- A reduction in printing expenses attributable to statutory changes that will delay some reference book printing to FY 2025, and
- An increase in expenses for Westlaw due to a rate change.

FY 2025 Adjusted Budget Request - Budget Year:

The agency's revised FY 2025 budget request totals \$818,926. This budget includes \$526,867 from the state general fund and \$292,059 from the Governmental Ethics Commission Fee Fund. The most significant of the changes from the FY 2024 budget request include:

- An increase in printing costs due to a need to print updated reference materials,
- An increase in building rent,
- Computer replacements, and
- An increase in the Monumental Building Surcharge rate.

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EXPENDITURE JUSTIFICATION BY OBJECT CODES

Object Code 100: Salaries and Wages

The 8.5 FTE positions are devoted to assuring the accurate and timely disclosure of the required financial information filed by individuals subject to the campaign finance, lobbying, and state conflict of interest laws as well as providing this information to the public in a timely manner. In addition, the Commission meets to address a variety of matters including the review of complaints, investigations, audits, and the issuance of advisory opinions.

In the revised FY 2024 budget request, Salaries and Wages is \$105 above the approved amount due to fringe benefit adjustments.

For the revised FY 2025 budget request, Salaries and Wages is an increase of \$4,328 above the approved FY 2025 amount and a decrease of \$718 below the FY 2024 budget, all due to fringe benefit adjustments.

FY 2024: \$661,313

FY 2025: \$660,595

Object Code 200: Contractual Services

Rent is the largest single component of the agency's contractual services, accounting for over 30% of the budgeted amount in FY 2025. Printing and communication costs are expended to ensure individuals receive the information necessary to comply with the reporting requirements of the campaign finance, lobbying, and conflict of interest laws. As a necessary result of the campaign cycle, printing and postage costs vary between years largely depending on the number of candidates. Typically, printing costs increase in non-election years as material is prepared for the upcoming election, and postage costs increase in election years due to candidate and organization contact. Travel expenses are incurred for Commission travel and staff travel to conduct audits, investigations, and travel to attend the national conference of the Council on Governmental Ethics Laws. Computer replacements and costs related to the Ethics Commission database fall under this category as well.

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In the revised FY 2024 budget request, the request is \$142,652, which is a decrease of \$105 below the approved amount. While there are adjustments between categories, the decrease is primarily attributable to delayed printing costs due to statutory changes. The largest increase is due to Westlaw rate changes but this amount is accommodated within existing resources due to the printing projection adjustment.

For the revised FY 2025 budget request, the request is \$153,231 which is an increase of \$4,657 above the approved amount. The increase is due to Westlaw rate changes, computer replacements, and an increase in the monumental building surcharge rate.

FY 2024: \$142,652

FY 2025: \$153,231

Object Code 300: Commodities

Expenditures in this category are for office and professional supplies. These expenditures are unchanged from the approved amount.

FY 2024: \$4,500

FY 2025: \$4,500

Object Code 400: Capital Outlay

Expenditures in this category are attributable to replacing office furniture and computer equipment as needed. These expenditures are unchanged from the approved amount.

FY 2024: \$600

FY 2025: \$600

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Supplemental Package

1. FY 2024 SGF State Employee Pay Plan Shortfall

The 2023 Legislature did not appropriate enough funding from the State General Fund for the FY 2024 state employee pay plan that affected all state employees. The State Finance Council prorated the FY 2024 agency distribution of the available State General Fund appropriation so all SGF-funded agencies experienced a shortfall in FY 2024, though the state employee pay plan was approved by the Legislature and Governor. It is the understanding of this agency that a supplemental appropriations bill is intended to rectify this issue early in the 2024 Legislative Session. This amount will not impact FY 2025-FY 2028 in the below forecast because the shortfall only occurs in FY 2024, though the approved pay plan affects each fiscal year.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
State General Fund	\$3,664	\$0	\$0	\$0	\$0
Fee Fund	\$0	\$0	\$0	\$0	\$0
Total	\$3,664	\$0	\$0	\$0	\$0

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Explanation of Receipt Estimates – DA 405

K.S.A. 25-4119e establishes the Kansas Governmental Ethics Commission Fee Fund. Money credited to the fee fund is used for the operation of the Commission in the statutory performance of its duties and functions. The fee fund is not restricted in its use. The Commission’s fee fund was established in 1991 with the statutory reference of K.S.A. 25-4119a. K.S.A. 25-4119f establishes the fees required to be paid by candidates filing for office. Lobbyist registration fees are imposed under K.S.A. 46-265. Political action committees’ registration fees are imposed under K.S.A. 25-4145.

The Secretary of State collects state candidate and lobbyist registration fees at the time of filing or registration. The county clerks/county election officers collect county candidate fees. City clerks in first class cities collect city candidate fees. The fees are remitted quarterly by the county treasurers and the Secretary of State to the State Treasurer (K.S.A. 25-4119f(b)) to be credited to the fee fund. Political action committees remit directly to the Commission.

Deadlines for registration and payment of the Commission’s fees are:

Group	Deadline	Fee
State candidates	June 1	\$650 for statewide office, \$50 otherwise
County candidates	June 1	\$50
First class city candidates	June 1	\$50
Political action committees	July 1	Dependent on contributions
Lobbyists	Before engaging in lobbying	Dependent on expenditures

The Commission’s staff works with the Secretary of State, the State Treasurer, county clerks, and county treasurers to ensure collection from all candidates and lobbyists. Population estimates of candidates, lobbyists, and political action committees are based on past history and are subject to change as a result of the political climate in the State.

Political Action Committee registration fees differ due to the amount of money the committee anticipates receiving in contributions in a calendar year. Prior to FY 2024, political action committees which received \$500 or less in contributions paid a \$25 registration fee. When contributions were in excess of \$500 but less than \$2,501, the committee paid a \$50 registration fee. A \$300 registration fee was required for committees receiving more than \$2,500 in contributions. These amounts changed in 2023 House Sub for SB 208, which among several other changes adjusted the PAC registration tiers. There are now four tiers for PAC registration:

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PAC Contribution Amounts	PAC Registration Fee
Less than \$2,500	\$50
Between \$2,501 and \$7,500	\$250
Between \$7,501 and \$15,000	\$500
Greater than \$15,000	\$750

Candidates pay a fee when they file for office. Fees are set at \$50 for candidates for any state or local office. Statewide candidates pay a fee of \$650 when they file for office.

Lobbyist registration fees differ due to the amount of money the lobbyist anticipates expending for each client in a calendar year for the purpose of lobbying. Lobbyists with expenditures of \$1,000 or less pay a \$50 registration fee per client. When expenditures are more than \$1,000, the lobbyist pays a \$350 fee per client. Employees of lobbying firms register for \$450 per year (K.S.A. 46-265) which covers all clients.

Other fees generated include civil penalties and fines (K.S.A. 25-4152, 46-280, and 46-288). Actual fee fund revenue for FY 2021-2023 and projections for FY 2024-2025 are illustrated on the DA 405 form. Prior to FY 2024, campaign finance civil fines were also deposited into the fee fund but now are deposited in the state general fund (K.S.A. 25-4181) due to changes made by 2023 House Sub for SB 208.

Lobbyist registrations may increase slightly in the short term due to expanding the definition of “lobbying” to include lobbying the executive branch, though these registrations are most likely to be those which do not expend over \$1,000 and therefore are subject to a low registration fee. Candidate fees are dependent on the election cycle. It is unlikely that the new PAC registration tiers will affect PAC registration rates, but if an impact is seen it will take at least four years to know the full scope due to election cycles (FY 2024-FY 2027).