

R52

Agency Certification and Transmittal Sheet

Code: **R52** Name: **State Ethics Commission**

Mission Statement: The State Ethics Commission is the agency of state government responsible for the enforcement of the Ethics Reform Act of 1991 to restore public trust in government.

The legislatively mandated mission of the State Ethics Commission is to enforce the Ethics Reform Act of 1991 to restore public trust in government. This act is intended to help restore public trust in the governmental institutions and the political and governmental processes. The trust of the public is essential for government to function effectively and the State must ensure that the confidence of the public is not eroded.

The Commission carries out this mandate by conducting criminal and administrative investigations of violations of the state's ethics laws; prosecuting violators through the Attorney General's Office and circuit solicitors; ensuring compliance with the state's laws on financial disclosure, lobbyist/lobbyist's principal disclosure, campaign disclosure, & prosecuting those not in compliance; regulating lobbyists & lobbying organizations; issuing advisory opinions interpreting the statute; & educating public officeholders and the public on the requirements of the state's ethics laws.

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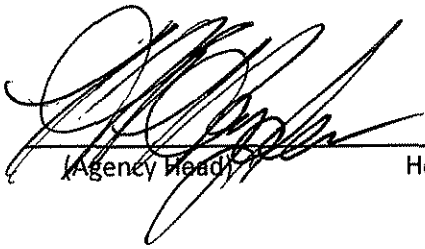
SEP 29 2011

Budget Board
OFFICE OF STATE BUDGET

To the Office of State Budget

This, and accompanying statements, schedules, and explanatory sheets consisting of 14 pages constitute the operating budget estimates of this agency for all proposed expenditures for the 2012-2013 fiscal year.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

Signed:  Date: 28-Sep-11
Agency Head: Herbert R. Hayden, Jr.

FISCAL YEAR 2012-13 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. **Agency Section/Code/Name:**

Section 82/R520/State Ethics Commission

B. **Summary Description of Strategic or Long-Term Goals:**

Electronic Filing - A continuous strategic goal is the maintenance and upgrading of an electronic filing system of all documents received by the Commission. Electronic filing has allowed for timelier filing and provides almost immediate access to information to all Commission customers. In accordance with Section 8-13-365, the Commission created a system of electronic filing for all disclosures and reports required pursuant to Article 13 of Chapter 13 of Title 8 from all candidates and entities subject to its jurisdiction. The Commission will seek again to have legislation introduced to amend various sections of the Ethics Reform Act to reflect mandatory filing requirements, i.e. those sections that discuss paper forms being forwarded, etc. Funding will be needed for the continual maintenance and upgrading to the electronic filing system. Commission's 2011 Accountability Report: Section 1, Paragraph 3

C. **2011-2012 Agency Recurring Base Appropriation:**

State	\$257,583
Federal	\$0
Other	\$517,508

D. **Number of Budget Categories:**

1

E. **Agency-wide Vacant FTEs**

Vacant FTEs as of July 31, 2011:	1.5
% Vacant	15%

F. **Efficiency Measures:**

The Commission in collaboration with South Carolina Interactive (SCI), now has an electronic filing system in place for all forms filed with the Commission. This system has been a tremendous tool in the efficient disclosure of information to the public. The Commission's web-site continues to be the sole source of all forms and much other information. Included is the public reporting component of the Electronic Filing System.

G. **Number of Provisos:**

2

IIA. OPERATING BUDGET PROGRAMS

Agency Section/Code/Name:

Section 82/R52/State Ethics Commission

SUMMARY OF OPERATING BUDGET PROGRAMS FOR FY 2012-13

OPERATING BUDGET PROGRAMS			FUNDING				FTEs				
Title	Activity Name	Activity No.	Non-Recurring State	Recurring State	Federal	Other	Total	State	Federal	Other	Total
Administration	Administration	1426		270,000			270,000				0.00
Administration	Administration	1426		25,800			25,800				0.00
Administration	Administration	1426	25,000				25,000				0.00
							0				0.00
							0				0.00
							0				0.00
For additional rows, place cursor in this gray box and press "Ctrl" + "b". (You need to start in this gray box for each row needed or the formulas will not copy properly.)											
TOTAL OF ALL OPERATING BUDGET PROGRAMS			25,000	295,800	0	0	320,800	0.00	0.00	0.00	0.00

IIB. CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13

Agency Section/Code/Name: Section 82/R52/State Ethics Commission

SUMMARY OF CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13

CAPITAL BUDGET/NON-RECURRING REQUESTS				Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Project No.*	Project Name	Activity Name	Activity No.				
							0
							0
							0
							0
							0
For additional rows, place cursor in this gray box and press "Ctrl" + "c". (You need to start in this gray box for each row needed or the formulas will not copy properly.)							
TOTAL OF ALL CAPITAL BUDGET/NON-RECURRING REQUESTS				0	0	0	0

*if applicable

A. Summary description of programs and how they relate to the mission of the agency:

Every program of the State Ethics Commission is mandated in the Ethics Reform Act. The Commission’s mandate is to ensure compliance with the state’s laws on financial disclosure, lobbyist/lobbyist’s principal disclosure and campaign disclosure; regulate lobbyists and lobbying organizations; issue advisory opinions interpreting the statute; educate public officeholders and the public on the requirements of the state’s ethics laws; conduct criminal and administrative investigations of violations of the state’s ethics laws; and prosecute violators either administratively or criminally.

B. Budget Program Number and Name:

01000000 Administration

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1426	Administration		270,000			270,000
1426	Administration		25,800			25,800
1426	Administration	25,000				25,000

D. Performance Measures:

The State Ethics Commission does not have success criteria since we have no measurable programs. The Commission has no control over the number of complaints filed in a year or the number of lobbyists that will register or the number of candidates who will run for office.

E. Program Interaction:

The State Ethics Commission only has one program, Administration. We do not support or supplement any other programs.

We reduced our staff during FY2010 by one FTE. This employee has not been replaced. We absorbed the duties through current staffing.

F. Change Management:

Over the past five years, our mission and focus of our Administration program has remained the same: to enforce the Ethics Reform Act. We have only added the priority of electronic filing. This has been a statewide mandated function since May 2010.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		4.3	0.00	5.7	10.00
Personal Service	\$0	\$184,332	\$	\$243,048	\$ 427,380
Employer Contributions	\$0	\$70,064	\$0	\$44,460	\$ 114,524
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$230,000	\$ 230,000
Total	\$ 0	\$ 254,396	\$ 0	\$ 517,508	\$ 771,904

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

III. Budget Category Justification Sheet	Agency Code R52	Agency Name State Ethics Commission
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Is this budget category or program associated with a Capital Budget Priority? No.

If yes, state Capital Budget Priority Number and Project Name: N/A

Please List proviso numbers that relate to this budget category or programs funded by this category.

01000000 Administration
Proviso 82.1

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		257,583		517,508
2012-2013 Act	25,000	553,383		
Difference		295,800		
% Difference		53%		

Explanation of Changes:

While increasing the state recurring charges, we would be able to reduce the earmarked recurring charges.

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
30350000	Operating Revenue-Lobbyist Registration Fee			165,000		
30350000	Operating Revenue – Training Conference Registration Fee			2,000		
30350000	Operating Revenue – Late Filing Penalty			70,000		
30350000	Operating Revenue – Enforcement/Administrative Fees			1,500		
30350000	Operating Revenue – Sale of Documents			2,000		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	10			10	
2011-2012 (A)	10			10	
2010-2011 (F)	8.5			8.5	
2010-2011 (A)	10			10	
2009-2010 (F)	9.0			9.0	
2009-2010 (A)	10			10	
2008-2009 (F)	9.0			9.0	
2008-2009 (A)	10			10	
2007-2008 (F)	9.0			9.0	
2007-2008 (A)	10			10	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Proviso Number

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

80A.26

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

Budget & Control Board – Insurance Reserve Fund

C. Agency Interest

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

This section is from the Budget & Control Board that affects the State Ethics Commission.

D. Action

(Indicate Keep, Amend, Delete, or Add):

Keep

E. Title

Descriptive Proviso Title:

BCB: SEC Legal Expenses

F. Summary

Summary of Existing or New Proviso:

80A.26. (BCB: SEC Legal Expenses) The Executive Director of the Budget and Control Board must reimburse the State Ethics Commission from the Insurance Reserve Fund for expenses incurred in the defense of South Carolinians for Responsible Government v. Krawcheck, et al., and South Carolina Citizens for Life v. Krawcheck, et al., both filed in the United States District Court of South Carolina, and where the Attorney General has refused to defend the action and the Budget and Control Board has refused to use the Civil Contingent Fund, as provided for in Section 8-13-1373, to pay for defense of such action. The appropriate official of the State Ethics Commission must certify to the Executive Director on a monthly basis the costs incurred in defense of these actions. Upon receipt of the certification the Executive Director shall reimburse the State Ethics Commission the amount certified.

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

None.

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

The Insurance Reserve Fund is directed to reimburse the State Ethics Commission for attorney's fees.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected.

V. Proviso Justification Form	Agency Code R52	Agency Name State Ethics Commission
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This proviso is recurring, and not codified because these cases are not permanent expenditures. Our goal is to complete these cases this fiscal year. Depending upon attorney time, the previous three years have averaged approximately \$35,000 per year.

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)

If the proviso is not continued, the Commission would be unable to pay the legal fees. No state funds are allotted in the State Ethics Commission budget for other operating expenses.

K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline

(INSERT PROVISO FROM FY 2012-13 RENUMBERED PROVISO BASE HERE)

A. Proviso Number

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

82.1

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

None

C. Agency Interest

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency-specific

D. Action

(Indicate Keep, Amend, Delete, or Add):

Delete

E. Title

Descriptive Proviso Title:

Confidentiality

F. Summary

Summary of Existing or New Proviso:

The State Ethics Commission staff shall be precluded from making any public comment which in any way reflects a personal opinion about any matter which is before or which is pending action before the commission or the commission staff. Nothing in this provision shall abridge the commission's responsibilities pursuant to the Freedom of Information Act, Section 30-4-10, et. Seq. of the 1976 code.

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

No germaneness to the budget pursuant to Senate Rule 24B and House Rule 5.3B.

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

None. No funds are affected.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected.

This proviso is no longer necessary due to the fact that it does not affect the budget and therefore should not be a budget proviso. See Senate Rule 24B and House Rule 5.3B.

V. Proviso Justification Form	Agency Code R52	Agency Name State Ethics Commission
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J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)

None

K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline

~~The State Ethics Commission staff shall be precluded from making any public comment which in any way reflects a personal opinion about any matter which is before or which is pending action before the commission or the commission staff. Nothing in this provision shall abridge the commission's responsibilities pursuant to the Freedom of Information Act, Section 30-4-10, et. Seq. of the 1976 code.~~

(INSERT PROVISO FROM FY 2012-13 RENUMBERED PROVISO BASE HERE)

Federal Aid Justification

0

Summary

Award Title	<input type="text"/>				
CFDA Number/Title	<input type="text"/>	→	If "Other", identify:	<input type="text"/>	
Award Number (Federal)	<input type="text"/>	Start Date	<input type="text"/>	Federal Agency	<input type="text"/>
Award Number (State)	<input type="text"/>	End Date	<input type="text"/>	Federal Subagency	<input type="text"/>
Award Period	<input type="text"/>	→			If "Other", explain:
					<input type="text"/>

Financial

Total Award Amount	<input type="text"/>	Amount Available in FY 2012-13	<input type="text"/>
State Match Required?	<input type="text"/>	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	<input type="text"/>
Local Match Required?	<input type="text"/>	If "Yes", describe	<input type="text"/>
Assistance Type	<input type="text"/>	If "Other", explain	<input type="text"/>
Is administrative and/or indirect cost recovery permitted? If so, explain:	<input type="text"/>		
Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?	<input type="text"/>		

Federal Aid Justification

0

Questions

How is the use of these funds essential to your agency's mission?

Text.

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

Text.

What outcome and/or performance measures will you track and/or report on in association with this award?

Text.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Text.