

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Ethics Commission

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LBO Redbook

Ohio Ethics Commission

Quick look...

- The Ohio Ethics Commission administers, interprets, and enforces ethical conduct, with jurisdiction over all state and local government officials and employees, except legislators, judges, and their staffs. Approximately 18,700 elected officials and 590,000 public employees fall under its authority.
- Biennial recommendation of \$6.4 million: \$3.1 million in FY 2026 and \$3.3 million in FY 2027.
- GRF increase of 7.6% in FY 2026 and 4.9% in FY 2027 will enable the Commission to maintain current staffing level of 19 full-time employees.
- Sources of the budget: GRF (79.4%) and state non-GRF (20.6%).

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
GRF ALI 146321, Operating Expenses					
\$1,733,095	\$2,141,748	\$2,295,557	\$2,305,000	\$2,480,744	\$2,603,142
% change	23.6%	7.2%	0.4%	7.6%	4.9%
DPF Fund 4M60 ALI 146601, Operating Support					
\$580,648	\$378,850	\$462,185	\$515,100	\$649,781	\$670,793
% change	-34.8%	22.0%	11.4%	26.1%	3.2%
Total funding:					
\$2,313,743	\$2,520,597	\$2,757,742	\$2,820,100	\$3,130,525	\$3,273,935
% change	8.9%	9.4%	2.3%	11.0%	4.6%

Agency overview

The Ohio Ethics Commission administers, interprets, and enforces ethical conduct in state and local government, primarily under the Ohio Ethics Law (R.C. Chapter 102). It has jurisdiction over all state and local government officials and employees, except legislators, judges, and their staffs. The Commission consists of six members who are appointed by the Governor with the advice and consent of the Senate. The political affiliation of the Commission is equally divided between the two major parties. Members are compensated \$75 for each meeting, up to a maximum of \$1,800 per year. Day-to-day operations are handled by the Executive Director and 19 full-time employees (current staffing level).

The Ethics Law requires an average of 10,320 public officials, high-ranking public employees, and candidates for public office from more than 1,300 public agencies to file financial disclosure statements with the Commission each year. Nearly 2,500 of the statements filed by public officials and employees are confidential by statute and are individually audited by staff.

The Commission's duties are largely divided into four program areas: Advisory, Investigations, Education, and Financial Disclosure. In CY 2023 these sections combined accomplished the following:

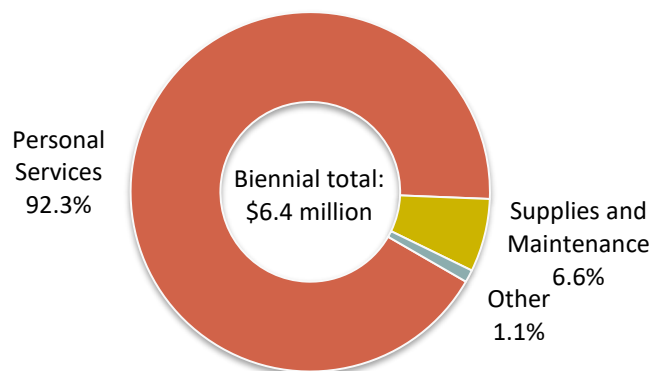
- The Commission's staff attorneys, under the Advisory program, issued 163 written advisory opinions and provided immediate guidance in response to thousands of emails and over 1,500 telephone calls. Over two-thirds of these requests were from officials in local government (including counties, cities, townships, villages, and school districts).
- The Commission received 523 investigative inquiries and acted on 168 investigations.
- The Commission conducted 167 in-person public educational sessions reaching nearly 15,000 people, including state, county, and city agencies, public sector associations, and groups of public and private sector organizations.
- Roughly 33,000 public officials and employees from state and local government completed an online ethics course and 5,000 participated in one of the Commission's webinars.

Analysis of FY 2026-FY 2027 budget proposal

Executive recommendations by expense category

Chart 1 below displays the \$6.4 million proposed budget for the biennium in terms of the manner in which this funding is allocated for operating expenses. These allocations may change over the course of the biennium, but historically, these percentages have remained relatively consistent from year to year. The largest category of expense is personal services (92.3%, or \$5.9 million), followed by supplies and maintenance (6.6%, or \$421,553). Other expenses including equipment, purchased personal services, and transfers/nonexpense account for 1.1%, or \$71,412.

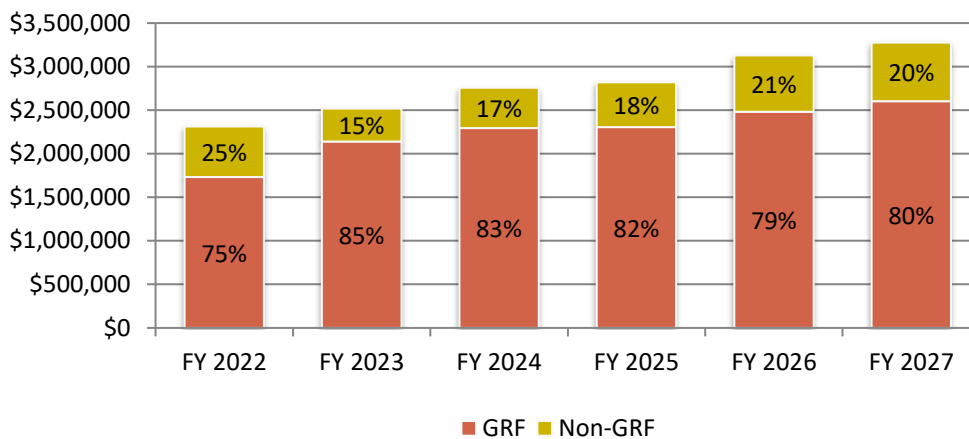
**Chart 1: Ethics Budget by Expense Category
FY 2026-FY 2027 Biennium**



Executive recommendations by fund group

Together, GRF line item 146321 and Dedicated Purpose Fund (DPF) Fund 4M60 line item 146601 support the Ohio Ethics Commission’s operations. Chart 2 below shows the GRF/non-GRF funding split for these costs. The executive recommended GRF appropriation in FY 2026 represents a 7.6%, or \$175,744, increase from the estimated GRF expenditures in FY 2025 (\$2,305,000). The Commission strives to use GRF funding to cover the 88% of personal service expenses (payroll) and DPF Fund 4M60 line item 146601 to support the majority of other operating expenses.

Chart 2: Ethics Operating Expense by Fund Group



Filing fees

The table below summarizes the Commission’s current fee schedule. That schedule was implemented beginning in CY 2012 for sustaining dedicated purpose funding to supplement and reduce reliance on GRF funding. As noted, the GRF is the largest source of the Commission’s budget. Filing fee revenue is credited to the Ohio Ethics Commission Fund (Fund 4M60). In addition to filing fees, revenue also comes from investigative or other fees, costs, or other funds the Commission receives as a result of court orders and other settlement money.

Since the implementation of the fee schedule, fee revenue has declined due to a decrease in filers as a result of the consolidation of certain boards and commissions and fewer voluntary filers, as well as late fees. The decrease in late fee revenue is a result of the ease of filing in the online financial disclosure filing system (implemented February 2013), which also enabled the Commission to quickly notify delinquent filers so that they do not accrue the maximum late fees. Currently, over 96% of financial disclosure statements are filed using the online filing portal. The number of persons failing to file timely statements remained below 0.5% of the total number of filers. As such, the Commission assumes that late filing fees will not be a significant source of revenue for the FY 2026-FY 2027 biennium.

License Fees by Type	
License Type	Fee
State elected office holder or candidate	\$95
State board of education member or candidate	\$35
County elected office holder or candidate	\$60
City elected office holder or candidate	\$35
School district board of education member or candidate	\$30
Educational Service Center (ESC) governing board member	\$30
School district or ESC superintendent, treasurer, or business manager	\$30
All other filers	\$60
Late Fee Penalty	
Per day	\$10/day
Maximum penalty	\$250

Ohio Ethics Commission Fund (DPF Fund 4M60)

Chart 3 below shows Fund 4M60’s activity beginning FY 2012 (around the time the current fee schedule and online filing system were implemented) through FY 2025. Notably, in FY 2016, expenditures started to exceed revenues which resulted in a more or less steady decrease in the fund’s year-ending cash balance. In response to the cash balance trending down, generally the Commission has had to increase reliance of GRF. The Commission aims at keeping its DPF cash balance no lower than 50% of its expected expenditures, or between \$350,000 and \$400,000. At the end of FY 2025, Fund 4M60 is projected by the Ethics Commission to have a net balance of approximately \$550,000.

Chart 3: Fund 4M60 Activity, FY 2012-FY 2025

