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Dept./Agy.: Ethics Board						
Subject: Financial Disclosure		Analyst: Evelyn McWilliams				

ETHICS/FINANCIAL DISCLOS RR +\$705,458 GF EX See Note Page 1 of Requires certain public servants and candidates for certain offices to disclose certain financial information (Item #1)

Requires candidates for public offices, certain elected officials & appointed persons to file financial statements. Provides for information to be disclosed & penalties for failure to file or timely file. Effective Jan. 1, 2009 financial statements are required for the governor, statewide elected officials, each secretary of a state department, the executive secretary of the Public Service Commission, members of the State Civil Service Commission & the director, members of the State Board of Elementary and Secondary Education, superintendent of education, commissioner of higher education, presidents of public post secondary education systems, the commissioner of the Division of Administration, members of the Ethics Board & the ethics administrator, governor's chief of staff and executive counsel, legislators, judges, persons holding a public office who represent a voting district having a population of more than 5,000, members of a state board or commission which has the authority to expend, disburse or invest more than \$10,000 annually. Effective Jan. 1, 2010, financial statements are required for persons holding a public office who represent a voting district having a public office who represent a voting district having a population.

EXPENDITURES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$705,458	\$660,664	\$642,911	\$665,427	\$686,244	\$3,360,704
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$705,458	\$660,664	\$642,911	\$665,427	\$686,244	\$3,360,704
REVENUES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

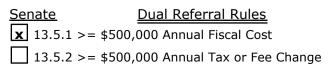
## **EXPENDITURE EXPLANATION**

The Ethics Administration Program (EAP) has indicated that it would need 6 new positions (an information systems manager, 2 attorneys, 2 paralegals, 1 clerical) and \$705,458 to implement the proposed bill. The proposed bill requires all candidates for elective office, elected officials and a large number of appointed officials to file yearly financial statements. At present, EAP has no staff, computer system, process or equipment in place to examine, process or make public the filings called for in this bill. Currently, only the governor is required to make such filings. The number of certified letters that will be required to be mailed informing persons of delinquent or inaccurate information is not known. If the number of certified letters is substantial, additional funding for postage and paper will be required.

The EAP is currently housed in space rented from the Louisiana Housing Finance Authority. The lease ends in April 2008 and the board anticipates that relocation will be necessary. The existing space is filled to capacity with the current staff. Thus additional space will be needed to house the new employees. The EAP anticipates overhauling the existing computer system over an 18 month period. Overhauling the system entails hiring an information system manager, utilizing a professional services contract for computer programmers and purchasing 2 additional servers. This overhaul also anticipates the board maintaining the system internally. The board will require funding for the following expenditures: \$462,658 salaries and related benefits, \$68,100 operating expenses and supplies (includes \$39,000 for increased rental space for the new employees), \$100,000 professional services (\$75,000 for computer programmer and \$25,000 for investigators) and \$74,700 for equipment (servers, scanners, office furniture, etc.). With the exception of the information systems manager, all other personnel will be necessary to index, process and review complaints, assist investigations and manage the additional cases anticipated as a result of the proposed bill. There are no statistics available on how many persons could be convicted under the provisions in this bill. However, expenditures could increase by \$23.39 per day per offender sentenced to the custody of the Department of Public Safety and Corrections (assuming the state inmates would be housed at the local level). The number of individuals incarcerated and associated expenditures are anticipated to be minimal. Expenditures reflected in subsequent fiscal years include removal of non-recurring equipment, a 4% increase in salaries and related benefits and a reduction in professional services expenses for computer programmers. The additional funding required in FY 12 and 13 is due to the scheduled replacement of the board's computer servers, which are anticipated to be replaced every three years.

## **REVENUE EXPLANATION**

The board may impose a fine for violating the provisions provided for in this bill. The board cannot predict the amount of fines that may be imposed. All fees and fines are deposited in the general fund.



House 6.8(F) >= \$500,000 Annual Fiscal Cost 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Home

Robert E. Hosse LFO Staff Director