

LEGISLATIVE APPROPRIATIONS REQUEST

Fiscal Years 2026 and 2027

Submitted to the Office of the Governor, Budget Division and the Legislative Budget Board

by

Texas Ethics Commission

August 16, 2024

Table of Contents

Administrator's Statement	
Organizational Chart	
Certificate of Dual Submissions	
Budget Overview	
Summary of Base Request by Strategy	2.A.
Summary of Base Request by Method of Finance	2.B.
Summary of Base Request by Object of Expense	2.C.
Summary of Base Request by Objective Outcomes	2.D.
Summary of Exceptional Items Request	2.E.
Summary of Total Request by Strategy	2.F.
Summary of Total Request by Objective Outcomes	2.G.
Strategy Request	3.A.
Rider Revisions and Additions Request	3.B.
Rider Appropriations and Unexpended Balances Request	3.C.
Requests for Exceptional Items	4.A.
Exceptional Item Strategy Allocation Schedule	4.B.
Exceptional Item Strategy Request	4.C.
Exceptional Item Request Schedule with Sub Requests	
Capital Budget Project Schedule	5.A.
Capital Budget Project Information	5.B.
Capital Budget Allocation to Strategies (Baseline)	5.C.

Capital Budget Operating and Maintenance Expenses	5.D.
Capital Budget Project – OOE and MOF Detail by Strategy	5.E.
Capital Budget Project Schedule – Exceptional	
Capital Budget Allocation to Strategies by Project-Exceptional	
Historically Underutilized Business Supporting Schedule	6.A.
Estimated Revenue Collections Supporting Schedule	6.E.

Note: The following sections or supporting schedules did not apply to this submission:

Operating Costs Detail –Base Request (2.C.1)
Sub-strategy Request (3.D.)
Sub-Strategy Request (3.E.)
Current Biennium One-Time Expenditure Schedule (6.B.)
Federal Funds Supporting Schedule (6.C.)
Federal Funds Tracking Schedule (6.D.)
Advisory Committee Supporting Schedule (6.F.a and b)
Homeland Security Funding Schedule (6.G.)
Estimated Total of All Funds Outside the GAA Bill Pattern (6.H.)
Budgetary Impacts Related to Federal Health Care Reform Schedule (6.J.)
Budgetary Impacts Related to Budget Control Act – Sequestration (6.K.)

ADMINISTRATOR’S STATEMENT
89th Regular Session

TEXAS ETHICS COMMISSION

The mission of the Texas Ethics Commission (“TEC”) is to promote public confidence in government. The laws placed under the TEC’s jurisdiction seek to fulfil that mission by enabling voters to make informed decisions in the political process—decisions based in part on knowing the sources of financial support for candidates, the identity and activities of those who communicate directly with public officials for the purpose of influencing government action, and the financial interests of state officers.

Commissioners

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Introduction

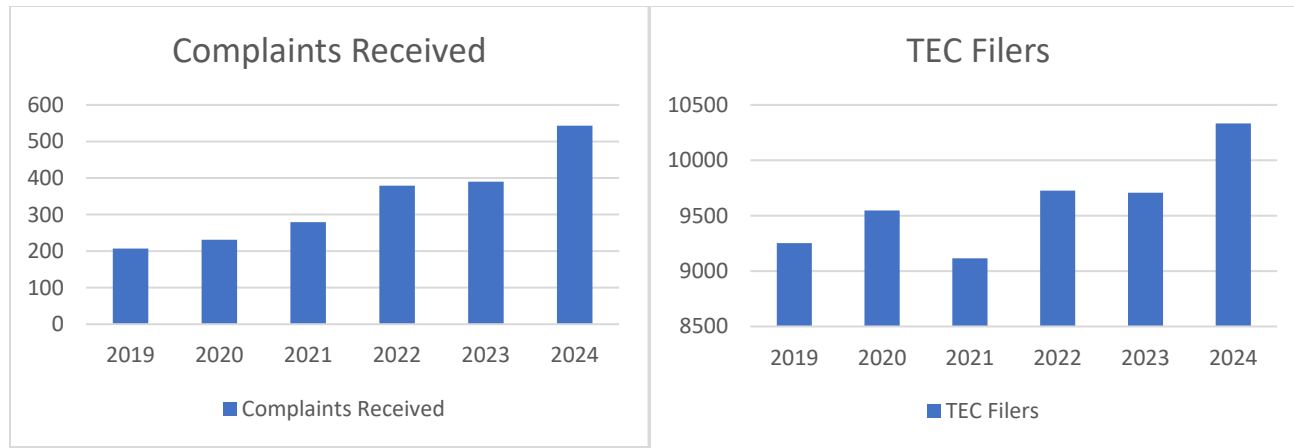
The TEC’s Workload Continues to Grow

The TEC’s workload continues to grow across all divisions and functions. Most significantly, the TEC has received 543 complaints in FY 2024, up 40% from the previous record of 390 set in FY 2023. FY 2024 also set records for the number of TEC filers (10,332)¹ and calls received by the TEC’s legal helpline (7,045).

Over the past biennium, the TEC issued 33 advisory opinions, up 73% from the previous biennium and over 300% from the biennium before that. The TEC sent 181,552 filing notices to filers, up 30% from the previous biennium.² And the TEC processed 2,832 of requests to waive or reduce statutory penalties for late-filed reports, up 129% from the previous biennium.

¹ Includes campaign finance, lobby, and personal financial statement filers. Excludes Form 1295 filers.

² Includes notices-to-file and notices-of-late-filing.



The TEC is Focused on Improving its Filing System and Website

The TEC has been prioritizing the improvement of its filing system and website. In 2022, the TEC moved its filing system to a cloud-hosted environment. The upgrade reduced processing times for the TEC’s largest filers by over 95%.

The TEC has also been improving the filing system by automating more of the work previously performed by TEC staff, including: (1) the redaction of statutorily-protected information from filings; (2) the calculation of statutory penalties for late-filed reports; (3) the submission and processing of requests to waive penalties; (4) management of the TEC’s delinquent filer list; and (5) tracking referrals of unpaid penalties to the OAG. And the TEC is also adding new features to the system, including: (1) automatic email notices to filers who miss deadlines; (2) streamlined account management and treasure appointments; and (3) the ability to pay penalties online.

Finally, the TEC is also working with a vendor to redesign the TEC’s website. The new website will have a cleaner user experience, easier-to-find legal guidance, and more robust options for searching and visualizing campaign finance data.

The TEC Continues to Face Costly Litigation

The TEC continues to face several lawsuits and appeals challenging the constitutionality of state law. After the Office of Attorney General (“OAG”) declined or withdrew from representing the TEC in several of these matters, the TEC hired outside counsel in those lawsuits and in subsequent lawsuits asserting the same or similar legal arguments. These lawsuits seek to invalidate laws under the TEC’s enforcement jurisdiction, the TEC’s enabling statute, and over thirty years of the TEC’s findings.

Exceptional Items

1) Adjust Exempt Positions

The TEC's unsalaried commissioners meet just once a quarter, so it must have experienced and knowledgeable staff to administer the TEC's day-to-day operations and provide clear and accurate guidance to the commissioners. The TEC's two exempt positions—Executive Director and General Counsel—are both appointed by, and report to, the commissioners.

a. Reclassify the Executive Director to Group 5 with a Salary of \$190,000 (\$37,396 per year)

The TEC's executive director is currently classified in Group 4, but given the position's combination of legal, managerial, and administrative responsibilities, it should be moved to Group 5. Comparable positions in Groups 5 and 6 include: (i) Chief Administrative Law Judge; (ii) Executive Director of the Department of Licensing and Regulation, (iii) Executive Director of the Texas Medical Board, (iv) Executive Director of the Texas Board of Nursing, and (v) Securities Commissioner. The requested salary would place the TEC's executive director close to the SAO midpoint for a Director VII and below the midpoint for a Deputy Director I.

The TEC's executive director has unique statutory responsibilities that require specialized legal knowledge. Chief among them is the duty to accept or reject jurisdiction over each complaint filed with the TEC. *See* Tex. Gov't Code § 571.124(c). If the executive director accepts a complaint, TEC enforcement staff must begin a formal investigation. *Id.* at § 571.124(e). Conversely, if the executive director rejects a complaint, it is immediately dismissed. *Id.* at § 571.124(f). Making the decision to accept or reject a complaint requires knowledge of the laws under the TEC's jurisdiction and relevant judicial decisions, and can have important legal, political, and financial consequences. When jurisdiction is accepted, complainants often publicize the investigation for political gain, and respondents can initiate costly litigation against the state. Having a qualified lawyer in this position is essential because state law mandates the decision to be made within five days of receiving a complaint and without the benefit of legal briefing from the respondent or input from the TEC's governing board. *Id.* at § 571.123(b); 571.122(d).

Similarly, the TEC's governing board has delegated to the executive director the authority to offer speedy and confidential resolutions of complaints determined to allege "technical or de minimis" violations. 1 Tex. Admin. Code § 12.81(c)-(d). Making this determination not only requires a knowledge of the laws under the TEC's jurisdiction, but also the judgment to determine whether a violation "substantially" affects disclosure. *Id.* at 12.81(a)-(b). If the executive director determines that an alleged violation is technical

or de minimis, then he or she may immediately resolve a complaint through an agreed, confidential resolution. Otherwise, a complaint must be resolved by vote of the commissioners.

The TEC's executive director is also responsible for managing and improving the day-to-day operational effectiveness and efficiency of an agency with a large regulated community. The laws under the TEC's jurisdiction affect every government official and employee in Texas, every candidate for state or local office, and every private citizen who spends money to benefit a candidate, party, or measure. And the purpose of those laws is to provide all Texans with the information they need to make informed choices at the ballot box.

Performing the TEC's work requires a staff of specialized lawyers and computer programmers, because the TEC is responsible for: (i) providing clear and timely legal guidance, (ii) investigating alleged violations of the laws under its jurisdiction, and (iii) developing, maintaining, and improving an electronic filing system and web-based disclosure portal. This results in significant salary compression between the agency's staff and leadership. For example, the TEC's executive director's current salary is below the midpoint for an Attorney V, Director V, and Cybersecurity Officer. And it is below the maximum for an Attorney IV, Director III, and Programmer V.

b. Adjust the General Counsel's Salary to \$175,000 (\$31,000 per year)

The TEC's general counsel plays a meaningful role in the agency's policymaking because he or she is relied upon by the agency's unsalaried commissioners to advise them on the resolution of every complaint, request for advisory opinion, and exercise of rulemaking authority. He or she drafts every opinion, is expected to help drive the TEC's agenda for rulemaking, provides guidance on the proper resolution of every complaint, and manages the TEC's outside litigation, which often involves challenges to the constitutionality of state law. For these reasons, the TEC's general counsel must have highly specialized knowledge of the laws under the agency's jurisdiction and the relevant judicial precedents construing individuals' constitutional rights to participate in political and electoral processes.

Moreover, an effective general counsel of the TEC must also understand how to build bipartisan consensus on an important and controversial area of the law. The TEC's governing board has a constitutionally-guaranteed bipartisan split of four Republicans and four Democrats, and many of the agency's actions, such as finding a violation or issuing a new rule, require a supermajority vote of six out the eight commissioners. Consequently, the general counsel must understand not only how to analyze the law, but also how to craft and advocate for positions that will gain bipartisan support.

The TEC's general counsel must also manage a division of employees responsible for carrying out several of the agency's most important functions, including delivering clear legal guidance to the agency's regulated community and considering filers' requests to

waive or reduce civil penalties. Among other things, it is the general counsel's responsibility to manage a responsive on-demand legal helpline.

Finally, the TEC's general counsel serves as the TEC's deputy director. He or she assists the executive director with the TEC's day-to-day operations and serves as the executive director in the executive director's absence.

The requested salary of \$175,000 per year would place the TEC's general counsel between the SAO midpoints for a General Counsel III and General Counsel IV and below the midpoint for a Deputy Director I.

2) Additional Full Time Employees

After having its FTE cap cut by six last biennium, the TEC is requesting the return of 5.6 FTEs. The TEC currently fully staffed with one part-time employee and exceeds its cap by 0.4 employees. It is seeking to add the following five positions and convert its only part-time position to full time. The requested salaries are near the SAO midpoints for their classification and would be equitable to the TEC's current salaries.

i. Project Manager IV (\$110,000 per year)

The TEC's most important function is to develop, maintain, and enhance an electronic filing system and a web-based portal for the public to access disclosure data. That function requires significant coordination with—and oversight of—the TEC's technology vendors. The TEC is requesting the funding and authority to hire an experienced project manager to ensure that the Legislature's investments in the TEC's technology are spent efficiently and that the TEC's technology vendors deliver results on time and on budget. This employee will support the corrective actions taken in connection with the SAO's recent audit of the TEC.³

ii. Attorney III, Enforcement (\$110,000 per year)

The TEC is requesting one additional attorney for its Enforcement Division because it has received an unprecedented number of sworn complaints in recent years. After setting a record of 390 complaints received in fiscal year 2023, the TEC has already received more than 540 in fiscal year 2024. Current attorney caseload is more than three times higher than in 2020 or 2021, and is more than twice

³ <https://sao.texas.gov/Reports/Main/23-036.pdf>

the TEC's average between 2019-2023.⁴ The agency needs at least one more mid-level attorney to manage the increased workload and meet the various statutory deadlines related to processing complaints.

iii. Attorney III, Office of General Counsel (\$110,000 per year)

The TEC is also requesting an additional attorney for its Office of General Counsel. This division is responsible for drafting TEC advisory opinions and rules, advising the commissioners on the resolution of every enforcement action, ensuring the TEC's compliance with applicable contracting and employment laws and regulations, and providing clear and timely legal guidance to the TEC's regulated community, including by offering a responsive legal helpline that received over 7,000 calls for assistance last year. Currently, this division has only three attorneys, including the general counsel. One additional attorney would help with all of the division's functions, including the TEC's ongoing efforts to review and revise its administrative rules pursuant to Section 2001.039 of the Government Code.

iv. Customer Service Representative III (\$50,000 per year)

After having its FTE cap cut last biennium, the TEC opted to forego a human receptionist in favor of hiring more budgetary expertise. The TEC wants to return to answering live calls rather than relying on voice or email messages from the public. Since the TEC is a small agency, eliminating a front desk receptionist resulted in the administrative staff having to assume those duties in addition to their primary responsibilities.⁵ Consequently, the TEC is requesting funding and authorization to hire a mid-level customer service representative that is capable not only of answering and routing phone calls and visitors, but also reviewing and routing mail and other written correspondence, entering information into databases, researching information to solve customer service problems, and performing other general clerical services.

v. Information Technology Support Specialist III (\$60,000 per year)

Finally, the TEC is requesting a dedicated IT support specialist. Each year the TEC responds to thousands of requests for technical assistance. These requests are currently handled by the TEC's programmers and systems administrator. A dedicated IT support specialist will result not only in better customer service, but also more time for the agency's programming and technical staff to focus on their primary responsibilities.

⁴ The average number of pending cases per TEC attorney in FY 2024 is 28. The average in 2020 and 2021 was 9, and the average between 2019 and 2023 was 13.

⁵ The TEC's administrative division answered 8,158 calls in FY 2023 and 7,674 calls in FY 2024.

- vi. Convert the TEC's sole auditor to a full-time position (\$20,000 per year)

Currently, the TEC employs only one part-time auditor to perform the statutory duties outlined in Texas Government Code section 571.069. The TEC employs this auditor as a 0.8 FTE, resulting FTE cap exceedance of 0.4.⁶ The TEC is requesting the authority and funding to convert this position to full time.

3) Legal Representation

The TEC is requesting a package of cost-neutral changes related to the funding and authority to defend itself against lawsuits challenging the constitutionality of laws placed under its jurisdiction.

- a. Clarify that the TEC, as a Constitutionally Established Agency, Has the Authority to Use Appropriations on Legal Counsel Without OAG Approval

The TEC, its commissioners, and its executive director are sometimes named defendants in lawsuits asserting constitutional challenges to the laws under its jurisdiction. These lawsuits often bring “facial” challenges to laws that the TEC has taken no action to enforce against the plaintiff. Some seek to invalidate the TEC's enabling statute and over thirty years of the TEC's orders. Pending examples include:

- A constitutional challenge to the Texas lobby law and the TEC's enabling statute pending in the Texas Supreme Court;
- A constitutional challenge to the law prohibiting corporate contributions pending in the Western District of Texas; and
- A constitutional challenge to a political advertising disclosure law and the TEC's enabling statute pending in the Western District of Texas.

After the Office of Attorney General (“OAG”) declined or withdrew from defending certain laws under the TEC's jurisdiction, the TEC has received legislative appropriations for several biennia to pay for outside litigation counsel. However, the TEC's authority to use these appropriations without obtaining the OAG's approval is unclear.

On the one hand, the Government Code expressly authorizes constitutionally-established agencies like the TEC to contract for legal services without the approval of the OAG. Tex. Gov't Code § 402.0212 (“a contract for legal services between an attorney ... and a state agency in the executive department, **other than an agency established by the Texas Constitution**, must be approved by the

⁶ The GAA sets the TEC's FTE cap at 28.4.

attorney general to be valid.”) (emphasis added). On the other hand, Article IX, Section 16.01 of the General Appropriations Act (“GAA”) prohibits agencies—unless specifically exempted—from using appropriations to pay for legal services without the consent of the OAG. *See* § 16.01(b) (prohibiting agencies from using appropriations to defend themselves against legal actions without OAG approval); § 16.01(i) (exempting certain agencies).

In short, the TEC has the legal authority to enter into a contract without OAG approval, but not to pay for the services rendered under such a contract. In practice, the appropriations rider undermines the authorization provided by the Government Code.

Consequently, the TEC is requesting to be added to the list of agencies exempted from Article IX, Section 16.01(a)-(h) of the GAA. The OAG’s approval process has, at times, taken too long and put the TEC at a procedural disadvantage. In one pending federal lawsuit, the OAG has not answered the TEC’s request to hire outside counsel nearly three months after the suit was filed.

b. Provide UB Authority for the TEC’s Litigation Budget

Litigation expenses are unpredictable and irregular on a year-to-year basis, so the TEC is requesting unexpended-balance (“UB”) flexibility for its litigation budget. Rather than appropriations in each year, the TEC is requesting a lump-sum appropriation in year one of the biennium with UB authority to the second year of the biennium. This will better allow the TEC to cover more expensive stages of litigation—such as trials and fact discovery—when they occur. The TEC thus requests the following rider:

Unexpended Balance Authority for Legal Services. Any unobligated and unexpended balances as of August 31, 2026 out of appropriations made to the Texas Ethics Commission for legal services in strategy A.1.3, Enforcement are appropriated for the same purpose for the fiscal year beginning September 1, 2025.

c. Re-introduce a Rider Regarding the TEC’s Litigation Budget

The TEC’s appropriations for legal services originally came with a rider, but it was removed in 2017. However, because of the uncertainties of litigation costs and the ongoing importance of maintaining the appropriation, the TEC has not spent these funds for any purpose other than outside counsel. This practice—combined with the inherent unpredictability of litigation costs—has often resulted in lapses, which could raise questions about the necessity of ongoing funding. To answer those questions, the TEC is recommending the following rider:

Legal Services. Included in amounts appropriated above in Strategy A.1.3, Enforcement, is \$300,000 in General Revenue in each fiscal year of the biennium to the Texas Ethics Commission for legal services related to the enforcement or defense of laws under the Commission’s jurisdiction.

4) Lump Sum Payments to Retiring Employees (\$206,806 for biennium)

The TEC is required to pay retiring employees a lump sum for unused annual leave. Nine of the TEC's current employees are eligible for retirement in FY 2026 and an additional one will become eligible in FY 2027. Combined, this represents nearly one third of the current workforce, and they will be owed a maximum total payout of \$206,806 in lump sum entitlements upon their retirement. Many of these employees occupy senior positions within the agency.

5) Electronic Filing System Improvements (\$137,500 per year)

The TEC lapsed a portion of this appropriation last biennium as it exhausted its existing balance of pre-purchased labor from its vendor. The TEC purchased no additional labor in FY 2023 or FY 2024 and used over 7,300 hours from its accrued balance on several important enhancements, including, but not limited to: (1) the migration to a cloud-hosted environment, (2) statutorily-mandated changes to reporting political expenditures made by credit card, and (3) the automatic redaction of statutorily-protected information from personal financial statements.

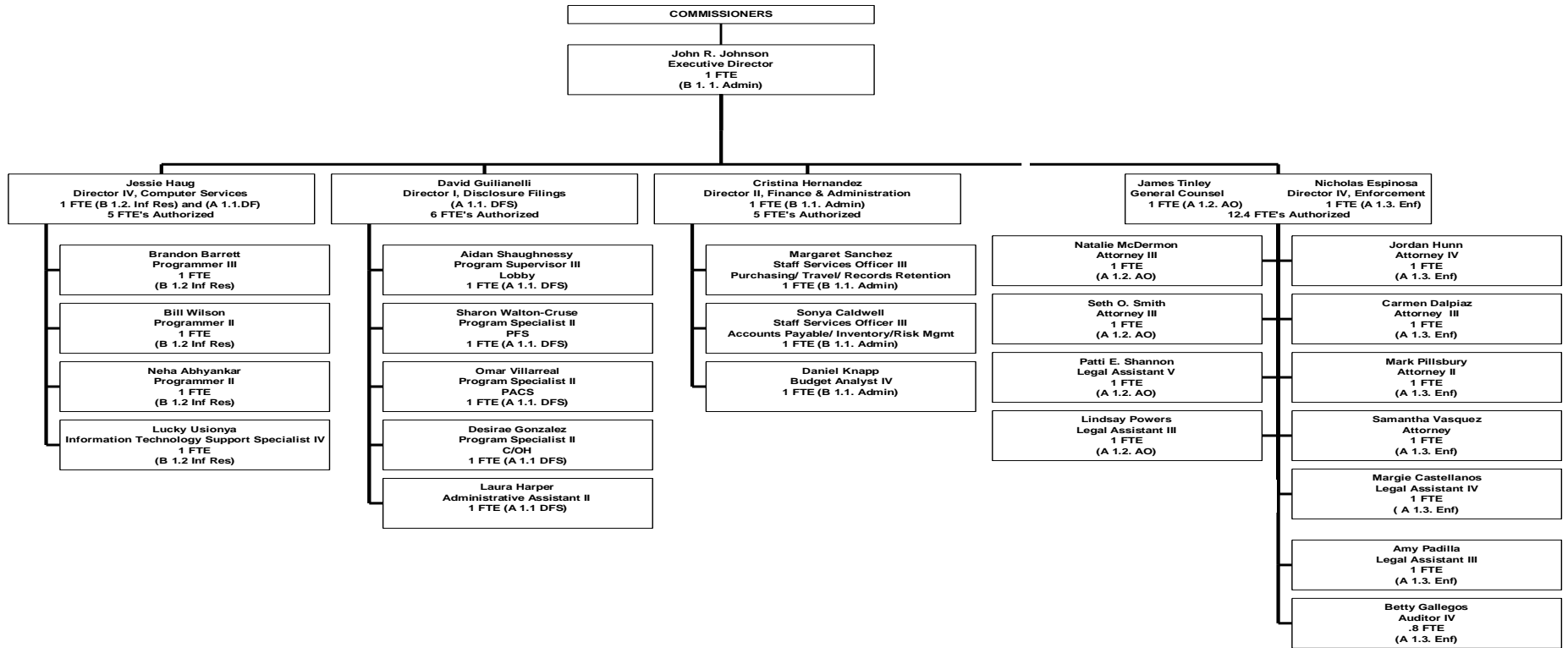
The TEC has approximately 1,200 hours of pre-purchased labor remaining and additional funding for enhancements in FY 2025 that will be used to continue work on the following projects: (1) automatic calculation of statutory penalties for late-filed reports; (2) online submission of requests to waive penalties; (3) automated management of the TEC's delinquent filer list; (4) online penalty payment; and (5) automated tracking of referrals to the OAG. These enhancements will make the TEC more efficient by automating much of the work that is currently done by TEC employees. It will also improve the user experience for filers by moving more TEC operations—such as treasurer appointments and waiver requests—to within the filing system itself.

However, funding is needed for the coming biennium to continue improving the filing system and accommodate statutory changes. If awarded, the TEC intends to use these funds to complete the projects identified above and make the following additional enhancements in the FY 26/27 biennium: (1) continued automation and electronic transmission of late-filing notices; (2) a modernized approach to account management, including the ability to file and amend treasurer appointments online; and (3) revisions to the personal financial statement reporting forms.

Conclusion

The TEC greatly appreciates the Legislature's continued support and respectfully requests the above-identified exceptional items.

Texas Ethics Commission
As Of 05 01 2024
Total FTEs Authorized: 28.4






CERTIFICATE

Agency Name Texas Ethics Commission

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Office or Presiding Judge


Signature

J.R. Johnson
Printed Name

Executive Director
Title

08/16/2024
Date

Board or Commission Chair


Signature

Randall H. Erben
Printed Name

Chair
Title

August 16, 2024
Date

Chief Financial Officer


Signature

Cristina Hernandez
Printed Name

Director of Finance and Administration
Title

08/16/2024
Date

Budget Overview - Biennial Amounts
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

356 Texas Ethics Commission
Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27	
Goal: 1. Administer Public Disclosure/Ethics Laws												
1.1.1. Disclosure Filing	825,471	926,310					103		825,574	926,310	9,250	
1.1.2. Office Of The General Counsel	1,118,517	1,124,546							1,118,517	1,124,546	344,105	
1.1.3. Enforcement	2,210,278	2,261,649							2,210,278	2,261,649	319,629	
Total, Goal	4,154,266	4,312,505					103		4,154,369	4,312,505	672,984	
Goal: 2. Indirect Administration												
2.1.1. Central Administration	1,040,863	1,054,358							1,040,863	1,054,358	234,920	
2.1.2. Information Resources	2,905,493	2,312,054							2,905,493	2,312,054	673,977	
Total, Goal	3,946,356	3,366,412							3,946,356	3,366,412	908,897	
Total, Agency	8,100,622	7,678,917					103		8,100,725	7,678,917	1,581,881	
Total FTEs									28.8	28.4	5.6	

2.A. Summary of Base Request by Strategy

8/27/2024 1:44:38PM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

356 Texas Ethics Commission

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 Administer Public Disclosure/Ethics Laws					
1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints					
1 DISCLOSURE FILING	306,345	347,993	477,581	463,155	463,155
2 OFFICE OF THE GENERAL COUNSEL	462,725	529,629	588,888	562,273	562,273
3 ENFORCEMENT	709,783	1,050,249	1,160,029	1,130,824	1,130,825
TOTAL, GOAL 1	\$1,478,853	\$1,927,871	\$2,226,498	\$2,156,252	\$2,156,253
2 Indirect Administration					
1 Indirect Administration					
1 CENTRAL ADMINISTRATION	407,795	481,083	559,780	527,179	527,179
2 INFORMATION RESOURCES	999,921	1,619,418	1,286,075	1,279,527	1,032,527
TOTAL, GOAL 2	\$1,407,716	\$2,100,501	\$1,845,855	\$1,806,706	\$1,559,706
TOTAL, AGENCY STRATEGY REQUEST	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959

2.A. Summary of Base Request by Strategy

8/27/2024 1:44:38PM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

356 Texas Ethics Commission

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	2,876,906	4,028,269	4,072,353	3,962,958	3,715,959
SUBTOTAL	\$2,876,906	\$4,028,269	\$4,072,353	\$3,962,958	\$3,715,959
Other Funds:					
666 Appropriated Receipts	9,663	103	0	0	0
SUBTOTAL	\$9,663	\$103	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2024 1:44:38PM

Agency code: **356** Agency name: **Texas Ethics Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

\$3,175,558	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2024-25 GAA)

\$0	\$4,129,354	\$3,947,148	\$0	\$0
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Regular Appropriations from MOF Table (2026-27 GAA)

\$0	\$0	\$0	\$3,962,958	\$3,715,959
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RIDER APPROPRIATION

Rider Appropriations from Article IX, Section 18.29 of the 2024-25 GAA.

\$0	\$82,500	\$0	\$0	\$0
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Comments: Due to the enactment of HB 3474, 88th Legislature, Regular Session. The Enhancements to the Electronic Filing System capital budget item was increased by the same amount.

TRANSFERS

SB 30, Sec. 9.01, 88th Leg, Regular Session

\$13,446	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

8/27/2024 1:44:38PM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 356

Agency name: Texas Ethics Commission

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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GENERAL REVENUE

Comments: FY 23 \$13,446 for 5% salary adjustment (FY 23: 13001=\$2,500; 13002=\$2,250; 13003=\$4,292; 13007=\$2,595 and \$1,809)

Art IX, Sec 17.16, Appropriation for a Salary Increase for General State Employees (2024-25 GAA)

\$0	\$0	\$24,120	\$0	\$0
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Comments: Estimated transfer from the Comptroller to provide the 5% salary increase at current the current FTE count and salaries.

13001: \$3,000

13002: \$3,674

13003: \$16,410

13007: \$1,036

LAPSED APPROPRIATIONS

Lapsed Appropriations FY 23

\$(649,598)	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

8/27/2024 1:44:38PM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **356**

Agency name: **Texas Ethics Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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GENERAL REVENUE

Comments: Summary of FY 2023 Lapses: Total Lapsed: \$649,598

- 13001 = \$9,663.44 (Rev Collected;
- \$1,327.82 (Other Operating Expenses)
- 13002 = \$6850.35 (Salary/Unfilled)
- 13003 = \$210,638.31 (Professional Fees)
- \$4,041.83 (Travel)
- \$10,659.44 (Other Operating Expenses)
- 13007= \$47,848.47 (Salary/Unfilled)
- \$3,124.43 (Other Personnel Costs)
- \$7,927.87 (Professional Fees)
- \$83.18 (Utilities)
- \$189.18 (Rent- Building)
- 57001= \$22,890 (1295 EFS Enhancement)
- \$107,008.71 (Gov. Deficiency Grant for Moving to cloud)
- 37535= \$137,500 (EFS Enhancement Rider)
- 13800= \$7,877.73 (Other Personnel Costs)
- 27004= \$71,967.36 (Unexpended Retirement Rider)

Lapsed Appropriation for FY 24

\$0	\$(82,500)	\$0	\$0	\$0
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Comments: Summary of FY 2024 Lapses:

Funds appropriated from Article IX, Section 18.29 of the 2024-25 GAA will be lapsed. The funds were appropriated to implement a provision of HB 3474, 88th Legislature, Regular Session that was removed prior to its enactment.

UNEXPENDED BALANCES AUTHORITY

HB 2, 87th Leg, Regular Session

\$137,500	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2024 1:44:38PM

Agency code: **356** Agency name: **Texas Ethics Commission**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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GENERAL REVENUE

Comments: unexpended HB2 Sec. 35(e)(11). Funds for enhancement of EFS UB forwarded out of FY 22 into FY 23

Art IX, Sec 14.03(i), Capital Budget UB (2022-23 GAA)

	\$200,000	\$0	\$0	\$0	\$0
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Comments: Requested Emergency funding for moving to the cloud.

Art I, Texas Ethics Commission, Rider 4, Appropriation for Retirement Payments (2024-25 GAA).

	\$0	\$(101,085)	\$101,085	\$0	\$0
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Comments: 13001: \$6,015
 13002: \$12,835
 13003: \$25,400
 13007: \$28,690
 13800: \$28,145

TOTAL, General Revenue Fund	\$2,876,906	\$4,028,269	\$4,072,353	\$3,962,958	\$3,715,959
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TOTAL, ALL GENERAL REVENUE	\$2,876,906	\$4,028,269	\$4,072,353	\$3,962,958	\$3,715,959
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OTHER FUNDS

666 Appropriated Receipts
RIDER APPROPRIATION

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2024 1:44:38PM

Agency code: 356		Agency name: Texas Ethics Commission				
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>OTHER FUNDS</u>						
Art IX, Sec 8.02, Reimbursements and Payments (2022-23 GAA)		\$9,663	\$0	\$0	\$0	\$0
Comments: Collected Revenue for copy orders/Public information requests						
Art IX, Sec 8.02, Reimbursements and Payments (2024-25 GAA)		\$0	\$103	\$0	\$0	\$0
Comments: Collected Revenue for copy orders/Public information requests						
TOTAL,	Appropriated Receipts	\$9,663	\$103	\$0	\$0	\$0
TOTAL, ALL	OTHER FUNDS	\$9,663	\$103	\$0	\$0	\$0
GRAND TOTAL		\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2024 1:44:38PM

Agency code: 356	Agency name: Texas Ethics Commission				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	34.4	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	28.4	28.4	0.0	0.0
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	0.0	0.0	28.4	28.4
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Below) Cap	(7.3)	0.0	0.0	0.0	0.0
Comments: FTE difference related to positions that could not be filled due to lack of qualified or interested applicants in all strategies.					
Unauthorized Number Over (Below) Cap	0.0	0.0	0.4	0.0	0.0
Comments: FTE difference is related to one part-time auditor in strategy A.1.3, Enforcement, being employed at 0.8 FTE hours instead of 0.4 FTE hours.					
TOTAL, ADJUSTED FTES	27.1	28.4	28.8	28.4	28.4

**NUMBER OF 100% FEDERALLY FUNDED
 FTEs**

2.C. Summary of Base Request by Object of Expense

8/27/2024 1:44:39PM

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

356 Texas Ethics Commission

OBJECT OF EXPENSE	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001 SALARIES AND WAGES	\$1,770,755	\$2,368,350	\$2,710,354	\$2,710,354	\$2,710,354
1002 OTHER PERSONNEL COSTS	\$244,088	\$85,399	\$142,669	\$36,861	\$36,861
2001 PROFESSIONAL FEES AND SERVICES	\$92,364	\$314,505	\$322,710	\$314,455	\$314,455
2003 CONSUMABLE SUPPLIES	\$2,349	\$3,841	\$3,530	\$2,540	\$2,540
2004 UTILITIES	\$1,729	\$2,040	\$1,915	\$1,880	\$1,880
2005 TRAVEL	\$10,402	\$13,190	\$9,285	\$9,285	\$9,285
2006 RENT - BUILDING	\$1,971	\$2,790	\$2,930	\$2,980	\$2,980
2007 RENT - MACHINE AND OTHER	\$10,006	\$9,883	\$9,450	\$8,179	\$8,179
2009 OTHER OPERATING EXPENSE	\$210,158	\$223,984	\$262,120	\$181,534	\$181,535
5000 CAPITAL EXPENDITURES	\$542,747	\$1,004,390	\$607,390	\$694,890	\$447,890
OOE Total (Excluding Riders)	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959
OOE Total (Riders)				\$0	\$0
Grand Total	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959

2.D. Summary of Base Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/27/2024 1:44:39PM

356 Texas Ethics Commission

Goal/ Objective / Outcome	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1 Administer Public Disclosure/Ethics Laws					
1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints					
1 Percent of Reports Available for Public Inspection within Two Days					
	99.95%	99.95%	99.95%	99.95%	99.95%
2 % of Sworn Complaints Processed within Five Working Days after Filing					
	100.00%	100.00%	100.00%	100.00%	100.00%
KEY 3 Percent of Advisory Opinion Requests Answered					
	94.12%	90.00%	90.00%	90.00%	90.00%

2.E. Summary of Exceptional Items Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME : 1:44:39PM

Agency code: 356

Agency name: Texas Ethics Commission

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Adjust Exempt Positions	\$69,422	\$69,422		\$69,422	\$69,422		\$138,844	\$138,844
2	Additional Full Time Employees	\$486,571	\$486,571	5.6	\$474,660	\$474,660	5.6	\$961,231	\$961,231
3	Lump Sum Pay Retiring/Terminating	\$206,806	\$206,806		\$0	\$0		\$206,806	\$206,806
4	EFS Improvements	\$137,500	\$137,500		\$137,500	\$137,500		\$275,000	\$275,000
Total, Exceptional Items Request		\$900,299	\$900,299	5.6	\$681,582	\$681,582	5.6	\$1,581,881	\$1,581,881

Method of Financing

General Revenue	\$900,299	\$900,299		\$681,582	\$681,582		\$1,581,881	\$1,581,881
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$900,299	\$900,299		\$681,582	\$681,582		\$1,581,881	\$1,581,881

Full Time Equivalent Positions

5.6

5.6

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/27/2024
 TIME : 1:44:40PM

Agency code: 356 Agency name: Texas Ethics Commission

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
1 Administer Public Disclosure/Ethics Laws						
<i>1 Access Required Reports; Respond to Advisory Reqs & Sworn Comp</i>						
1 DISCLOSURE FILING	\$463,155	\$463,155	\$9,250	\$0	\$472,405	\$463,155
2 OFFICE OF THE GENERAL COUNSEL	562,273	562,273	198,597	145,508	760,870	707,781
3 ENFORCEMENT	1,130,824	1,130,825	185,286	134,343	1,316,110	1,265,168
TOTAL, GOAL 1	\$2,156,252	\$2,156,253	\$393,133	\$279,851	\$2,549,385	\$2,436,104
2 Indirect Administration						
<i>1 Indirect Administration</i>						
1 CENTRAL ADMINISTRATION	527,179	527,179	145,391	89,529	672,570	616,708
2 INFORMATION RESOURCES	1,279,527	1,032,527	361,775	312,202	1,641,302	1,344,729
TOTAL, GOAL 2	\$1,806,706	\$1,559,706	\$507,166	\$401,731	\$2,313,872	\$1,961,437
TOTAL, AGENCY STRATEGY REQUEST	\$3,962,958	\$3,715,959	\$900,299	\$681,582	\$4,863,257	\$4,397,541
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$3,962,958	\$3,715,959	\$900,299	\$681,582	\$4,863,257	\$4,397,541

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/27/2024
 TIME : 1:44:40PM

Agency code: 356		Agency name: Texas Ethics Commission				
Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
General Revenue Funds:						
1 General Revenue Fund	\$3,962,958	\$3,715,959	\$900,299	\$681,582	\$4,863,257	\$4,397,541
	\$3,962,958	\$3,715,959	\$900,299	\$681,582	\$4,863,257	\$4,397,541
Other Funds:						
666 Appropriated Receipts	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$3,962,958	\$3,715,959	\$900,299	\$681,582	\$4,863,257	\$4,397,541
FULL TIME EQUIVALENT POSITIONS	28.4	28.4	5.6	5.6	34.0	34.0

2.G. Summary of Total Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/27/2024
 Time: 1:44:40PM

Agency code: 356

Agency name: Texas Ethics Commission

Goal/ Objective / Outcome

	BL 2026	BL 2027	Excp 2026	Excp 2027	Total Request 2026	Total Request 2027
1	Administer Public Disclosure/Ethics Laws					
1	<i>Access Required Reports; Respond to Advisory Reqs & Sworn Complaints</i>					
	1 Percent of Reports Available for Public Inspection within Two Days					
	99.95%	99.95%			99.95%	99.95%
	2 % of Sworn Complaints Processed within Five Working Days after Filing					
	100.00%	100.00%			100.00%	100.00%
KEY	3 Percent of Advisory Opinion Requests Answered					
	90.00%	90.00%			90.00%	90.00%

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 1 Serve as the Repository for Statutorily Required Information

Service Categories:
 Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Number of Reports Logged within Two Business Days of Receipt	97,866.00	99.90	92,485.00	92,485.00	92,485.00
2	Number of Reports Received and Processed	97,916.00	98,000.00	92,485.00	92,485.00	92,485.00
Explanatory/Input Measures:						
1	Number of Inquiries for Information	1,052,182.00	976,768.00	1,147,315.00	976,768.00	1,147,315.00
2	Number of Lobbyists Registered with the Commission	1,937.00	1,594.00	1,919.00	1,594.00	1,919.00
3	# of Public Officials Required to File Reports with the Commission	2,650.00	2,825.00	2,825.00	2,825.00	2,825.00
4	Number of Reports Due Filed Electronically	97,755.00	96,704.00	96,704.00	96,704.00	96,704.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$225,378	\$306,000	\$420,000	\$420,000	\$420,000
1002	OTHER PERSONNEL COSTS	\$33,205	\$997	\$7,635	\$2,360	\$2,360
2001	PROFESSIONAL FEES AND SERVICES	\$364	\$363	\$364	\$364	\$364
2003	CONSUMABLE SUPPLIES	\$929	\$1,500	\$1,500	\$950	\$950
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$1,404	\$2,080	\$2,080	\$1,910	\$1,910
2007	RENT - MACHINE AND OTHER	\$6,225	\$5,800	\$5,800	\$5,359	\$5,359

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints Service Categories:
 STRATEGY: 1 Serve as the Repository for Statutorily Required Information Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2009	OTHER OPERATING EXPENSE	\$38,840	\$31,253	\$40,202	\$32,212	\$32,212
TOTAL, OBJECT OF EXPENSE		\$306,345	\$347,993	\$477,581	\$463,155	\$463,155
Method of Financing:						
1	General Revenue Fund	\$296,682	\$347,890	\$477,581	\$463,155	\$463,155
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$296,682	\$347,890	\$477,581	\$463,155	\$463,155
Method of Financing:						
666	Appropriated Receipts	\$9,663	\$103	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$9,663	\$103	\$0	\$0	\$0
Rider Appropriations:						
1	General Revenue Fund					
4	1 Appropriation for Retirement Payment				\$0	\$0
TOTAL, RIDER & UNEXPENDED BALANCES APPROP					\$0	\$0

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints Service Categories:
 STRATEGY: 1 Serve as the Repository for Statutorily Required Information Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$463,155	\$463,155
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$306,345	\$347,993	\$477,581	\$463,155	\$463,155
FULL TIME EQUIVALENT POSITIONS:		5.1	6.0	6.0	6.0	6.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Disclosure Filing Division handles the processing and maintenance of all reports received by the Commission. In addition, this division provides the public with information about and copies of disclosure reports filed with the agency, distributes blank disclosure reporting forms upon request, and notifies filers of their obligations and of any late or missing filings. This division administers the Commission’s directive to receive and make available for public review and inspection required disclosure reports for state officials, candidates, political committees, lobbyists, political parties, party chairs, legislative caucuses, and judicial officers.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The primary consumer of information on file with the Commission, pursuant to the disclosure statutes we administer, is the general public. While the information is available to any person, many in the general public historically rely on the agency website as its means to obtaining the disclosed information.

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints Service Categories:
 STRATEGY: 1 Serve as the Repository for Statutorily Required Information Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$825,574	\$926,310	\$100,736	\$114,000	Increase in OOE 1001, Salaries and Wages. This is related to an increase from FY 24 to FY 25 in the salary exceptional item request approved in the 88th Legislative Session.
			\$(6,015)	Decrease out of OOE 1002 related to the removal of appropriations for retirement payments in GR/GR-D Limit.
			\$2,120	Increase out of OOE 1002 for estimated longevity payments.
			\$(9,369)	Minor changes across OOE 2003, 2006, 2007, and 2009. The changes are primarily due to budget adjustments for supplies 1,100 and postage.
			\$0	FY 25 exceeds GAA limit due to transfers between strategies for salary adjustments for salary EIR.
			\$100,736	Total of Explanation of Biennial Change

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 2 Perform All Legal and Regulatory Functions of the Agency

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
	1 Number of Advisory Opinions Adopted by the Commission	14.00	20.00	15.00	15.00	15.00
	2 Number of Public Information Requests Responded to by the Commission	458.00	458.00	400.00	400.00	400.00
	3 Number of Unpaid Fines Referred to the Attorney General for Collection	318.00	300.00	300.00	300.00	300.00
Efficiency Measures:						
KEY 1	Average Time (Business Days) to Answer Advisory Opinion Requests	74.00	54.00	75.00	75.00	75.00
Explanatory/Input Measures:						
	1 Number of Information Requests Regarding Commission Administered Laws	6,557.00	7,000.00	7,000.00	7,000.00	7,000.00
	2 Number of Advisory Opinion Requests Received	15.00	15.00	15.00	15.00	15.00
	3 Number of Public Information Requests Received by the Commission	458.00	500.00	500.00	500.00	500.00
	4 Total Amount Unpaid Fines Referred to Attorney General for Collection	834,300.00	800,000.00	800,000.00	800,000.00	800,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$382,304	\$470,500	\$524,000	\$524,000	\$524,000

3.A. Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2024 1:44:41PM

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 2 Perform All Legal and Regulatory Functions of the Agency

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1002	OTHER PERSONNEL COSTS	\$43,660	\$27,835	\$24,895	\$9,120	\$9,120
2001	PROFESSIONAL FEES AND SERVICES	\$464	\$464	\$464	\$364	\$364
2003	CONSUMABLE SUPPLIES	\$553	\$1,001	\$1,000	\$750	\$750
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$120	\$150	\$150	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$726	\$838	\$800	\$500	\$500
2009	OTHER OPERATING EXPENSE	\$34,898	\$28,841	\$37,579	\$27,539	\$27,539
TOTAL, OBJECT OF EXPENSE		\$462,725	\$529,629	\$588,888	\$562,273	\$562,273
Method of Financing:						
1	General Revenue Fund	\$462,725	\$529,629	\$588,888	\$562,273	\$562,273
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$462,725	\$529,629	\$588,888	\$562,273	\$562,273
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$562,273	\$562,273
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$462,725	\$529,629	\$588,888	\$562,273	\$562,273
FULL TIME EQUIVALENT POSITIONS:		5.0	5.0	5.0	5.0	5.0

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints Service Categories:
 STRATEGY: 2 Perform All Legal and Regulatory Functions of the Agency Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Office of the General Counsel (“OGC”) performs all other legal and regulatory functions of the agency. The OGC’s primary responsibility is to provide legal counsel to the Commission, including advising commissioners on proposed rules and advisory opinions, the resolution of enforcement matters, and the daily operational matters of the agency. The OGC’s other functions include promoting voluntary compliance with the law by providing educational resources and outreach to filers and the general public, assisting the Office of the Attorney General or outside legal counsel in civil actions brought by or against the TEC, serving as the agency’s liaison to governmental agencies, the media, law enforcement, and the Legislature, and assuring the TEC’s compliance with EEO/AA, ADA, and agency safety and ethics requirements.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Advisory opinion requests are initiated by individuals subject to the laws administered by the Commission and are resolved by the Commission in open meetings. Accordingly, the Commission has no control over the number of requests received.

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 2 Perform All Legal and Regulatory Functions of the Agency

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$1,118,517	\$1,124,546	\$6,029	\$53,500	Increase in salaries and wages due to funding for FY 25 salary increase EIR continuing forward into FY 26 and 27.
			\$(34,490)	Removal of funding in other personnel costs for one-time merits in FY 24 and lumpsum retirement payments removed in GR/GR-D limit.
			\$(11,343)	A decrease in other operating expenses primarily due to a decrease in the postage budget and the registration fees and an increase in retirement contribution and group health contributions.
			\$(1,638)	Other minor adjustments.
			\$0	The FY 25 budget is less than what is appropriated in the 88th GAA due to the reallocation of funds for salary increases related to the agency's salary increase EIR.
			\$6,029	Total of Explanation of Biennial Change

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Number of Sworn Complaints Processed	419.00	585.00	500.00	500.00	500.00
2	Number of Late Notices Sent to Filers	3,247.00	3,000.00	3,000.00	3,000.00	3,000.00
3	Number of Sworn Complaints Closed	392.00	549.00	500.00	500.00	500.00
4	Number of Attempted Sworn Complaints Responded to	34.00	42.00	50.00	50.00	50.00
Efficiency Measures:						
KEY 1	Average Number of Business Days to Process Sworn Complaints	3.68	4.00	4.00	4.00	4.00
2	Average Time to Notify Late Filer of Late Report	46.00	50.00	50.00	50.00	50.00
3	Avg Time to Notify Complainants & Respondents/Final Disposition	3.68	3.75	4.00	4.00	4.00
4	Average Time to Resolve Complaints after Jurisdiction Is Accepted	136.47	140.00	150.00	150.00	150.00
Explanatory/Input Measures:						
1	Percent of Filers Filing Timely Reports	93.00 %	90.00 %	90.00 %	90.00 %	90.00 %
2	Number of Late Penalties Received	564.00	400.00	400.00	400.00	400.00
3	% Complaints Dismissed B/c Resolution Not Proposed within 120 Days	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$493,989	\$695,000	\$775,000	\$775,000	\$775,000
1002	OTHER PERSONNEL COSTS	\$84,856	\$13,541	\$40,750	\$15,201	\$15,201
2001	PROFESSIONAL FEES AND SERVICES	\$82,725	\$300,364	\$300,400	\$300,364	\$300,364
2003	CONSUMABLE SUPPLIES	\$547	\$1,000	\$650	\$500	\$500
2004	UTILITIES	\$1,226	\$1,450	\$1,315	\$1,315	\$1,315
2005	TRAVEL	\$10,402	\$13,190	\$9,285	\$9,285	\$9,285
2006	RENT - BUILDING	\$0	\$0	\$0	\$440	\$440
2007	RENT - MACHINE AND OTHER	\$2,075	\$2,000	\$2,000	\$1,500	\$1,500
2009	OTHER OPERATING EXPENSE	\$33,963	\$23,704	\$30,629	\$27,219	\$27,220
TOTAL, OBJECT OF EXPENSE		\$709,783	\$1,050,249	\$1,160,029	\$1,130,824	\$1,130,825
Method of Financing:						
1	General Revenue Fund	\$709,783	\$1,050,249	\$1,160,029	\$1,130,824	\$1,130,825
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$709,783	\$1,050,249	\$1,160,029	\$1,130,824	\$1,130,825

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints Service Categories:
 STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,130,824	\$1,130,825
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$709,783	\$1,050,249	\$1,160,029	\$1,130,824	\$1,130,825
FULL TIME EQUIVALENT POSITIONS:		6.6	7.4	7.8	7.4	7.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Enforcement Division investigates alleged violations of the law, recommends to the Commission appropriate action to take with respect to apparent violations, and negotiates agreed resolutions with respondents or their counsel. If an enforcement matter does not resolve through agreement, the complaint proceeds to a formal hearing at which the respondent has the opportunity to present evidence and legal argument. Respondents who wish to challenge the decision of the Commission have the right to file a de novo appeal in Travis County District Court. The TEC also automatically assesses statutory penalties to candidates, officials, and lobbyists who fail to file required reports on time. Texas law and the Commission’s rules provide a legal process for appealing those penalties, and the Enforcement Division is responsible for processing those appeals. Finally, the Enforcement Division also conducts randomized audits of reports filed with the Commission, as directed by state law. If any issues are discovered during this process, the Enforcement Division provides guidance to filers for corrective actions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws

OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints Service Categories:

STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Any person may file a sworn complaint. The Commission has no control over the number of sworn complaints it receives or the violations alleged in those complaints. Once a sworn complaint has been filed, the respondent named in the complaint is entitled to two separate hearings, the last one may be before the Commission or an administrative law judge. The time needed to reach a final resolution is largely outside the control of the Commission.

Federal law has little direct influence on agency functions because federal laws apply to different persons than those regulated by the Commission. However, federal court rulings, such as the U. S. Supreme Court decision in Citizens United v. Federal Election Commission, may have an effect on the laws administered and enforced by the Commission. Similarly, federal lawsuits challenging the constitutionality of the laws enforced by the Commission may have an effect on the laws administered and enforced by the Commission.

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,210,278	\$2,261,649	\$51,371	\$80,000	An increase in salaries and wages related to the salary increase exceptional item in the 88th GAA.
			\$(25,400)	A reduction in other personnel costs related to the removal of appropriations for lump sum retirement payments.
			\$2,580	An increase of \$2580 for longevity pay
			\$(4,740)	Other budget adjustments primarily due to a reduction of estimated travel expenses for the agency's commissioners and the rental of machines.
			\$0	The strategy exceeds its GAA limit due to transfers between strategies related to the agency's reallocation of funding from the salary increase EIR in 88R.
			\$(1,069)	A decrease of \$1,069 for other retirement expenses.

356 Texas Ethics Commission

GOAL: 1 Administer Public Disclosure/Ethics Laws
 OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints
 STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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\$51,371 **Total of Explanation of Biennial Change**

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$354,418	\$460,850	\$505,604	\$505,604	\$505,604
1002	OTHER PERSONNEL COSTS	\$34,127	\$4,560	\$37,339	\$6,040	\$6,040
2001	PROFESSIONAL FEES AND SERVICES	\$4,782	\$4,782	\$5,182	\$5,181	\$5,181
2003	CONSUMABLE SUPPLIES	\$170	\$180	\$180	\$180	\$180
2007	RENT - MACHINE AND OTHER	\$850	\$1,105	\$700	\$700	\$700
2009	OTHER OPERATING EXPENSE	\$13,448	\$9,606	\$10,775	\$9,474	\$9,474
TOTAL, OBJECT OF EXPENSE		\$407,795	\$481,083	\$559,780	\$527,179	\$527,179
Method of Financing:						
1	General Revenue Fund	\$407,795	\$481,083	\$559,780	\$527,179	\$527,179
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$407,795	\$481,083	\$559,780	\$527,179	\$527,179
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$527,179	\$527,179
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$407,795	\$481,083	\$559,780	\$527,179	\$527,179
FULL TIME EQUIVALENT POSITIONS:		4.6	5.0	5.0	5.0	5.0

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Administration Division handles the working function of the agency. It provides the primary support for the Commission with respect to accounting and budgeting, purchasing, travel, human resources and payroll, secretarial and reception duties, building and equipment maintenance, risk and safety management, and mail services and inventory control.

This division has the essential function of working to keep the agency in compliance with the state laws and regulations generally applicable to executive branch agencies.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Commission recently implemented the Recruitment module on the Centralized Accounting and Payroll/Personnel System (CAPPS) system starting April 20, 2022.

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,040,863	\$1,054,358	\$13,495	\$44,754	An increase in salaries in wages related to the salary increase EIR from 88R and the 5% statewide pay increase in FY 25 continuing to 26 and 27.
			\$(28,145)	Due to the removal of appropriations for lump sum retirement payments in the GR/GR-D limit.
			\$(3,114)	Other minor adjustments.
			\$0	The appropriations exceed what is listed in the GAA due to the reallocation of funds for the salary EIR included in the 88th GAA.
			\$13,495	Total of Explanation of Biennial Change

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$314,666	\$436,000	\$485,750	\$485,750	\$485,750
1002	OTHER PERSONNEL COSTS	\$48,240	\$38,466	\$32,050	\$4,140	\$4,140
2001	PROFESSIONAL FEES AND SERVICES	\$4,029	\$8,532	\$16,300	\$8,182	\$8,182
2003	CONSUMABLE SUPPLIES	\$150	\$160	\$200	\$160	\$160
2004	UTILITIES	\$503	\$590	\$600	\$565	\$565
2006	RENT - BUILDING	\$447	\$560	\$700	\$630	\$630
2007	RENT - MACHINE AND OTHER	\$130	\$140	\$150	\$120	\$120
2009	OTHER OPERATING EXPENSE	\$89,009	\$130,580	\$142,935	\$85,090	\$85,090
5000	CAPITAL EXPENDITURES	\$542,747	\$1,004,390	\$607,390	\$694,890	\$447,890
TOTAL, OBJECT OF EXPENSE		\$999,921	\$1,619,418	\$1,286,075	\$1,279,527	\$1,032,527
Method of Financing:						
1	General Revenue Fund	\$999,921	\$1,619,418	\$1,286,075	\$1,279,527	\$1,032,527
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$999,921	\$1,619,418	\$1,286,075	\$1,279,527	\$1,032,527
Rider Appropriations:						
1	General Revenue Fund					

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
	2 1 Cap. Budget: Acquisit of IT Resources Tech, Acquisit of IT Res. Tech				\$0	\$0
TOTAL, RIDER & UNEXPENDED BALANCES APPROP					\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,279,527	\$1,032,527
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$999,921	\$1,619,418	\$1,286,075	\$1,279,527	\$1,032,527
FULL TIME EQUIVALENT POSITIONS:		5.8	5.0	5.0	5.0	5.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Computer Services Division maintains the Commission’s technology infrastructure, the electronic filing system and database, and the agency’s website. This division also provides technical support to filers who are required to file reports electronically with the Commission, prepares reports in response to open records requests for data from electronically filed reports, and assists staff with computer applications. In addition, the TEC’s Computer Services staff is involved with tasks such as systems analysis and design, information security, information resource policy development, and project management.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

356 Texas Ethics Commission

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 2 Information Resources

Service Categories:

Service: 09

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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To best serve all population demographics, the Commission is continually updating and increasing the types of information available through the Internet. The Commission is also continually working to provide the public with more data. The Commission has raw data downloads available on its website. In addition to searching for individual campaign finance reports and lobby activities reports, the public and press can access and download a Campaign Finance Report Database and a Lobby Activities Report Database.

In an effort to reduce postage costs, the Commission has converted to e-mails from paper-mailed notices as the method by which to notify filers of reporting deadlines. E-mail notices to file are currently available for most reports.

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,905,493	\$2,312,054	\$(593,439)	\$49,750	A biennial increase due to funding provided by the salary increase EIR included in the 88th GAA and a 5% statewide pay increase
			\$(41,440)	The removal of funding for lump sum retirement pay out in the GR/GR-D limit.
			\$(20,414)	Removal of funds for one-time merits in FY 24.
			\$(109,700)	Reduction in 2009 related to a reduction in fees and other charges (\$9,318), maint/repair of comp softw (\$17,752), and main/repar of comp equip (\$82,630) comp to right size bud w/ actual expend.
			\$(425,000)	Removal of funds for capital budget funds for enhancing the electronic filing system(\$275,000) and website enhancements (\$150,000).

356 Texas Ethics Commission

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
	\$2,905,493	\$2,312,054	\$(593,439)	\$(9,000)		
						Reallocation of funds from professional fees related to IT services to right-size budgeted amounts to historic expenditures
				\$(37,200)		Reduction in 2009 related to a reduction in comp furn & equip (\$19,000) and Books/Prerecd Ref Matl (\$18,200) to right size budget.
				\$(435)		Other minor adjustments.
				\$0		Transfer of \$22,000 per FY from capital budget item for the Case Management Software License Subscription to the non-capital budget to comply with changes to GAA Art. IX Section 14.03(d).
						Appropriations in FY 25 are less than appropriated in the GAA primarily due to the reallocation of funds from the salary increase EIR included in the 88th GAA.
			<u>\$(593,439)</u>			Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959
METHODS OF FINANCE (INCLUDING RIDERS):				\$3,962,958	\$3,715,959
METHODS OF FINANCE (EXCLUDING RIDERS):	\$2,886,569	\$4,028,372	\$4,072,353	\$3,962,958	\$3,715,959
FULL TIME EQUIVALENT POSITIONS:	27.1	28.4	28.8	28.4	28.4

3.B. Rider Revisions and Additions Request

Agency Code: 356	Agency Name: Texas Ethics Commission	Prepared By: Daniel Knapp	Date: 08/14/2024	Request Level: Baseline
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Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language															
1.	I-45	<p>Performance Measure Targets. The following is a listing of the key performance target levels for the Texas Ethics Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Texas Ethics Commission. In order to achieve the objectives and service standards established by this Act, the Texas Ethics Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;"><u>2024</u>2026</th> <th style="width: 10%; text-align: center;"><u>2025</u>2027</th> </tr> </thead> <tbody> <tr> <td>A. Goal: ADMINISTER ETHICS LAWS Outcome (Results/Impact): Percent of Advisory Opinion Requests Answered by Commission within 120 Working Days of Receipt</td> <td style="text-align: center;">90%</td> <td style="text-align: center;">90%</td> </tr> <tr> <td>A.1.1. Strategy: DISCLOSURE FILING Output (Volume): Number of Reports Logged within Two <u>Business Working</u> Days of Receipt</td> <td style="text-align: center;">92,485</td> <td style="text-align: center;">92,485</td> </tr> <tr> <td>A.1.2. Strategy: OFFICE OF THE GENERAL COUNSEL Efficiencies: Average Time (<u>Working Business</u> Days) to Answer Advisory Opinion Requests</td> <td style="text-align: center;">75</td> <td style="text-align: center;">75</td> </tr> <tr> <td>A.1.3. Strategy: ENFORCEMENT Output (Volume): Number of Sworn Complaints Processed 360 360 Efficiencies: Average Number of <u>Business Working</u> Days to Process Sworn Complaints</td> <td style="text-align: center;">3.53</td> <td style="text-align: center;">3.53</td> </tr> </tbody> </table> <p><i>Update the agency's performance measures to match changes made during strategic planning.</i></p>		<u>2024</u> 2026	<u>2025</u> 2027	A. Goal: ADMINISTER ETHICS LAWS Outcome (Results/Impact): Percent of Advisory Opinion Requests Answered by Commission within 120 Working Days of Receipt	90%	90%	A.1.1. Strategy: DISCLOSURE FILING Output (Volume): Number of Reports Logged within Two <u>Business Working</u> Days of Receipt	92,485	92,485	A.1.2. Strategy: OFFICE OF THE GENERAL COUNSEL Efficiencies: Average Time (<u>Working Business</u> Days) to Answer Advisory Opinion Requests	75	75	A.1.3. Strategy: ENFORCEMENT Output (Volume): Number of Sworn Complaints Processed 360 360 Efficiencies: Average Number of <u>Business Working</u> Days to Process Sworn Complaints	3.53	3.53
	<u>2024</u> 2026	<u>2025</u> 2027															
A. Goal: ADMINISTER ETHICS LAWS Outcome (Results/Impact): Percent of Advisory Opinion Requests Answered by Commission within 120 Working Days of Receipt	90%	90%															
A.1.1. Strategy: DISCLOSURE FILING Output (Volume): Number of Reports Logged within Two <u>Business Working</u> Days of Receipt	92,485	92,485															
A.1.2. Strategy: OFFICE OF THE GENERAL COUNSEL Efficiencies: Average Time (<u>Working Business</u> Days) to Answer Advisory Opinion Requests	75	75															
A.1.3. Strategy: ENFORCEMENT Output (Volume): Number of Sworn Complaints Processed 360 360 Efficiencies: Average Number of <u>Business Working</u> Days to Process Sworn Complaints	3.53	3.53															
2.	I-45	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. 2024-2025 <u>-2026</u> <u>2027</u></p> <p>a. Acquisition of Information Resource Technologies (1) Vendor Support for Electronic Filing</p>															

3.B. Rider Revisions and Additions Request (continued)

		<p>& Disclosure Database Systems \$ 447,890 \$ 447,890</p> <p>(2) Case Management Software License Subscription 22,000 22,000</p> <p>(3) Enhancements to Electronic Filing System 137,500 220,000 137,500</p> <p>(4) Improve Agency Website User Interface 150,000 UB</p> <p>Total, Acquisition of Information Resource Technologies \$ 839,890 \$ 607,390 \$585,390 \$585,390</p> <p>b. Data Center/Shared Technology Services</p> <p>(1) Managed Cloud Services for TEC Electronic Filing System \$ 247,000 \$ UB</p> <p><i>Update the agency's capital budget rider to remove one-time appropriations and a capital budget item well under the \$500,000 minimum over the biennium and update the years.</i></p>
4.	I-45	<p>Appropriation for Retirement Payments. Included in amounts appropriated above as General Revenue to the Texas Ethics Commission for fiscal year 2024 are the following amounts: in Strategy A.1.1, Disclosure Filing, \$5,119 \$6,045; in Strategy A.1.2, Office of the General Counsel, \$42,499 \$2,835; in Strategy A.1.3, Enforcement, \$39,988 \$25,400; in Strategy B.1.1, Central Administration, 42,549 \$28,145; and in Strategy B.1.2, Information Resources, \$41,819 \$41,440 for payment of unused annual leave to retiring agency employees.</p> <p>Any unexpended balances in the appropriation made herein and remaining as of August 31, 2026 2024, are appropriated for the same purposes for the fiscal year beginning September 1, 2026 2024. Any part of the appropriation made for retirement payouts due at the time of agency employees' retirement that are not necessary for that purpose shall be lapsed by the agency at the end of the biennium.</p> <p><i>Update the rider to reflect the correct years and the new appropriations needed to cover all retirement costs in the 89th biennium.</i></p>
5.	I-46	<p>Oversight of the Electronic Filing System. The Texas Ethics Commission shall provide quarterly reports to the Legislative Budget Board with an accounting of vendor transactions related to the Electronic Filing System in a format prescribed by the Legislative Budget Board.</p> <p>The Commission shall consult with the Department of Information Resources (DIR) on the costs and benefits of transitioning the operation of the Electronic Filing System to a DIR contracted State Data Center Services solution and deliver a report to the Legislative Budget Board no later than June 30, 2024.</p> <p><i>Remove the second portion of the rider requiring the agency to submit an annual report as the agency has already submitted the report by the required deadline.</i></p>
Sec. 16.01	IX-77	<p>... (i) Subsections (a) - (h) do not apply to monies appropriated to:</p> <p>(1) Office of the Governor;</p> <p>(2) Comptroller;</p> <p>(3) Department of Agriculture;</p> <p>(4) General Land Office and Veterans' Land Board; or</p> <p>(5) Railroad Commission of Texas.</p> <p><u>(6) Ethics Commission</u></p> <p>...</p>
N/A	N/A	<p>Unexpended Balance Authority for Legal Services. Any unobligated and unexpended balances as of August</p>

3.B. Rider Revisions and Additions Request (continued)

		<p><u>31, 2026 out of appropriations made to the Texas Ethics Commission for legal services in strategy A.1.3, Enforcement are appropriated for the same purpose for the fiscal year beginning September 1, 2026.</u></p> <p><i>Litigation expenses are unpredictable and irregular on a year-to-year basis, so the TEC is requesting unexpended-balance ("UB") flexibility for its litigation budget. Rather than appropriations in each year, the TEC is requesting a lump-sum appropriation in year one of the biennium with UB authority. This will better allow the TEC to cover more expensive stages of litigation—such as trials and fact discovery—when they occur.</i></p>
N/A	N/A	<p><u>Legal Services.</u> Included in amounts appropriated above in Strategy A.1.3, Enforcement, is \$300,000 in General Revenue in each fiscal year of the biennium to the Texas Ethics Commission for legal services related to the enforcement or defense of laws under the Commission's jurisdiction.</p> <p><i>Reintroduce the agency's informational rider related to its litigation budget. Adding the rider will increase transparency for the litigation budget and will align with current agency policy to lapse any litigation related funds should they not be expended within the appropriation period.</i></p>

3.C. Rider Appropriations and Unexpended Balances Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:13PM**

Agency Code: 356 Texas Ethics Commission

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2 1	Capital Budget 2-1-2 INFORMATION RESOURCES	\$542,748	\$1,004,390	\$607,390	\$0	\$0
OBJECT OF EXPENSE:						
	5000 CAPITAL EXPENDITURES	\$542,748	\$1,004,390	\$607,390	\$0	\$0
Total, Object of Expense		\$542,748	\$1,004,390	\$607,390	\$0	\$0
METHOD OF FINANCING:						
	1 General Revenue Fund	\$542,748	\$1,004,390	\$607,390	\$0	\$0
Total, Method of Financing		\$542,748	\$1,004,390	\$607,390	\$0	\$0

Description/Justification for continuation of existing riders or proposed new rider

Update Rider

3.C. Rider Appropriations and Unexpended Balances Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:13PM**

Agency Code: 356 Texas Ethics Commission

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
4 1	Approp. for Retirement Payment 1-1-1 DISCLOSURE FILING	\$8,033	\$12,750	\$101,085	\$0	\$0
OBJECT OF EXPENSE:						
	1001 SALARIES AND WAGES	\$8,033	\$12,750	\$101,085	\$0	\$0
Total, Object of Expense		\$8,033	\$12,750	\$101,085	\$0	\$0
METHOD OF FINANCING:						
	1 General Revenue Fund	\$8,033	\$12,750	\$101,085	\$0	\$0
Total, Method of Financing		\$8,033	\$12,750	\$101,085	\$0	\$0

Description/Justification for continuation of existing riders or proposed new rider

Update Rider

3.C. Rider Appropriations and Unexpended Balances Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:13PM**

Agency Code: 356 Texas Ethics Commission

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
SUMMARY:						
OBJECT OF EXPENSE TOTAL		\$550,781	\$1,017,140	\$708,475	\$0	\$0
METHOD OF FINANCING TOTAL		\$550,781	\$1,017,140	\$708,475	\$0	\$0

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:13PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Adjust Exempt Positions Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-02 Perform All Legal and Regulatory Functions of the Agency 02-01-01 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	68,396	68,396
2009	OTHER OPERATING EXPENSE	1,026	1,026
TOTAL, OBJECT OF EXPENSE		\$69,422	\$69,422
METHOD OF FINANCING:			
1	General Revenue Fund	69,422	69,422
TOTAL, METHOD OF FINANCING		\$69,422	\$69,422

DESCRIPTION / JUSTIFICATION:

The TEC's unsalaried commissioners meet just once a quarter, so it must have experienced and knowledgeable staff to administer the TEC's day-to-day operations and provide clear and accurate guidance to the commissioners. The TEC's two exempt positions—Executive Director and General Counsel—are both appointed by, and report to, the commissioners.

The request includes \$37,369 in salary funding and \$561 in agency contributions to retirement and health insurance funding for the Executive Director. The request also includes \$31,000 in salary funding and \$465 in agency contributions to retirement and health insurance funding for the General Counsel.

EXTERNAL/INTERNAL FACTORS:

Increasing the Executive Director's and General Counsel's salaries will allow the TEC to attract and retain highly skilled personnel in key leaderships positions and bring these exempt salaries in line with other state agencies.

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:13PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going funds will be needed to maintain the Executive Director's and General Counsel's salaries.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

<u>2028</u>	<u>2029</u>	<u>2030</u>
\$69,422	\$69,422	\$69,422

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:13PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
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Item Name: Additional Full Time Employees
Item Priority: 2
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > \$50,000: No
Includes Funding for the Following Strategy or Strategies:

01-01-02	Perform All Legal and Regulatory Functions of the Agency
01-01-03	Respond to Complaints and Enforce Applicable Statutes
02-01-01	Central Administration
02-01-02	Information Resources

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	460,000	460,000
2009	OTHER OPERATING EXPENSE	26,571	14,660
TOTAL, OBJECT OF EXPENSE		\$486,571	\$474,660

METHOD OF FINANCING:

1	General Revenue Fund	486,571	474,660
TOTAL, METHOD OF FINANCING		\$486,571	\$474,660

FULL-TIME EQUIVALENT POSITIONS (FTE):

	5.60	5.60
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DESCRIPTION / JUSTIFICATION:

After having its FTE cap cut by six last biennium, the TEC is requesting the return of 5.6 FTEs. Restoring the 5.6 FTEs would allow the TEC to address its growing workload, comply with SAO audit findings, and most efficiently serve the public. Additionally, the TEC currently exceeds its FTE cap by 0.4 at full employment.

All requested salaries are near the SAO midpoints for their classification.

The request includes:

- (a)1.0 Project Manager III to coordinate with the TEC's outside vendor maintaining, developing, and improving the agency's electronic filing system. This request includes \$220,000 in salary funding and \$8,524 in other operating expenses over the biennium in Strategy B.1.2.
- (b)1.0 Attorney III to address a growing number of sworn complaints and to ensure compliance with statutory deadlines. This request includes \$220,000 in salary funding and \$10,448 in other operating expenses over the biennium in Strategy A.1.3.
- (c)1.0 Attorney III to ensure compliance with all applicable laws and regulations and to assist in updating the administrative rules. This request includes \$220,000 in salary funding and \$10,448 in other operating expenses over the biennium in Strategy A.1.2.
- (d)1.0 Customer Service Rep III to assist with administrative duties and to communicate with and assist the general public. This request includes \$100,000 in salary funding and \$5,507 in other operating expenses over the biennium in Strategy B.1.1.

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:13PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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(e) 1.0 IT Support Specialist to respond to requests for technical assistance. This request includes \$120,000 in salary funding and \$5,704 in other operating expenses over the biennium in Strategy B.1.2.

(f) 0.6 Auditor in enforcement to bring the current part-time auditor up to full time and to increase the cap so TEC does exceed it at full employment. This request includes \$40,000 in salary funding and \$600 in other operating expenses over the biennium in Strategy A.1.3.

EXTERNAL/INTERNAL FACTORS:

As the TEC's workload continues to grow it is important that the agency has sufficient staff to meet statutory deadlines as well as continue to efficiently serve the public . TEC has seen significant growth across all strategies and programs.

TEC has received 543 complaints in FY 2024, up 40% from the previous record of 390 set in FY 2023. FY 2024 also set a record for the number of TEC filers (10,332), up 12% from 2019, and calls received by the TEC's legal helpline (7,045), up 62% from 2020.

From the 2020-2021 biennium to the 2022-23 biennium, the TEC issued 33 advisory opinions, up 73% from the previous biennium and over 300% from the biennium before that. The TEC sent 181,552 filing notices to filers, up 30% from the previous biennium. And the TEC processed 2,832 of requests to waive or reduce statutory penalties for late-filed reports, up 129% from the previous biennium.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going funds will be needed to support these additional FTEs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2028	2029	2030
	\$474,660	\$474,660	\$474,660

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:13PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Lump Sum Payments to Retiring/Terminating Employees Item Priority: 3 IT Component: No Anticipated Out-year Costs: No Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies:		
	01-01-01	Serve as the Repository for Statutorily Required Information	
	01-01-02	Perform All Legal and Regulatory Functions of the Agency	
	01-01-03	Respond to Complaints and Enforce Applicable Statutes	
	02-01-01	Central Administration	
	02-01-02	Information Resources	

OBJECTS OF EXPENSE:

1002	OTHER PERSONNEL COSTS	206,806	0
	TOTAL, OBJECT OF EXPENSE	\$206,806	\$0

METHOD OF FINANCING:

1	General Revenue Fund	206,806	0
	TOTAL, METHOD OF FINANCING	\$206,806	\$0

DESCRIPTION / JUSTIFICATION:

The TEC is required to pay retiring employees a lump sum for unused annual leave. Nine of the Commission's current employees are eligible for retirement in fiscal year 2026 and an additional one will become eligible in fiscal year 2027. Combined, this represents nearly one-third of the current workforce, and they will be owed a maximum total payment of \$206,806 in lump sum entitlements upon their retirement. Many of these employees occupy senior positions within the agency.

EXTERNAL/INTERNAL FACTORS:

Nine of the Commission's current employees are eligible for retirement in fiscal year 2026 and an additional one will become eligible in fiscal year 2027. Combined, this represents nearly thirty percent of the current workforce. Many of these employees occupy key positions within the agency, and will be owed payments of \$206,806 in lump sum entitlements upon their retirement.

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:13PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:13PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
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Item Name: Electronic Filing System Improvements
Item Priority: 4
IT Component: Yes
Anticipated Out-year Costs: Yes
Involve Contracts > \$50,000: Yes
Includes Funding for the Following Strategy or Strategies: 02-01-02 Information Resources

OBJECTS OF EXPENSE:

5000	CAPITAL EXPENDITURES	137,500	137,500
TOTAL, OBJECT OF EXPENSE		\$137,500	\$137,500

METHOD OF FINANCING:

1	General Revenue Fund	137,500	137,500
TOTAL, METHOD OF FINANCING		\$137,500	\$137,500

DESCRIPTION / JUSTIFICATION:

Funding is required to continue improving the filing system and accommodate statutory changes. The request would continue previously appropriated amounts.

The requested appropriation would allow the agency to continue making improvements and responding statutory changes.

The TEC intends to make the following improvements to better serve the filers.

- (1) continued automation and electronic transmission of late-filing notices;
- (2) a modernized approach to account management, including the ability to file and amend treasurer appointments online;
- (3) revisions to the personal financial statement reporting forms;
- (4) online penalty payment;
- (5) automated tracking of referrals to the OAG

EXTERNAL/INTERNAL FACTORS:

The Commission is charged by statute to provide an electronic filing system for the state of Texas campaign finance, lobby, and personal financial statement filers. The filing system is fully managed by the vendor that developed the software, and this vendor must make the code changes to the system. Enhancements to the filing system are not covered under the maintenance contract with the vendor. Enhancement work is billed as time and materials at \$150/hour. Enhancements to the system are required when legislative changes and new Commission rules modify the underlying business rules of the filing system components and when the agency determines changes are needed to integrate with agency processes to improve staff productivity, and when filers request changes for ease of use.

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
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PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The agency is requesting \$137,500 in both FY 2026 and in FY2027 to fund enhancements to the electronic filing system. The filing system is fully managed by the vendor that developed the software, and this vendor must make the code changes to the system. Enhancements to the filing system are not covered under the maintenance contract with the vendor. Enhancement work is billed as time and materials at \$150/hour.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

STATUS:

Currently the legislature has appropriated funds in the budget baseline for maintenance of the filing system. This funding does not include dollars for enhancements to the campaign finance, lobby, or personal financial statement filing applications, and the Filing Application Manager. Every legislative session unfunded mandates affecting the campaign finance, personal financial statement, and/or the lobby filing application are passed. The affected filing application must be enhanced, typically requiring several hundred hours of labor to implement the required changes to the source code. The Commission anticipates there will be source code modifications required to implement legislative changes passed during the 89th Legislative Session. In addition, there are several enhancements to the campaign finance application, lobby filing application, personal financial statement application, and the Filing Application Manager that the Commission desires to implement if funding is awarded, including automating the first administrative late letter sent to a filer 10 days after a filer misses a filing deadline, reformatting the investment parts of the PFS report to better align with modern investment strategies and IRS reporting, automatically close out PAC filers when the PAC files a final report, and migrate the TEC bulk email processes to the filing system so that outgoing bulk emails can be systematically logged into the database.

OUTCOMES:

Enhancements to the Commission's filing applications enable the Commission's filers to comply with the State of Texas laws and regulations related to those filing requirements. Enhancements can improve the function, usability, and performance of the filing applications, thus enabling filers to enjoy a good filing experience while meeting legal requirements of filing. Enhancements result in cost efficiencies when they automate manual staff tasks that are data entry error prone, thereby greatly increasing the speed at the task is performed and complete as well as eliminating human data entry errors.

OUTPUTS:

Enhancements to the filing applications better enable filers to disclose what is required to be disclosed by law. Data entry steps that may be difficult to understand may be simplified for easier data entry by the filers, resulting in less calls for IT or legal consultation for that section of the form. Enhancements that can automate staff's repetitive tasks will free up staff members to work on other pressing matters.

TYPE OF PROJECT

Acquisition and Refresh of Hardware and Software

ALTERNATIVE ANALYSIS

The TEC electronic filing system is fully vendor managed. If the project is not funded or is only funded in part, the Commission may not be able to make enhancements to the code as required by legislative mandates, or to satisfy changing business rules set by new Commission rules, or as requested by our staff and filers for ease of use. If the Commission is not able to make enhancements as required by legislative mandate, the state runs the risk of filed reports not being compliant with the law.

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:13PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION							Excp 2026	Excp 2027
ESTIMATED IT COST									
2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project		
\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$962,500		
SCALABILITY									
2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project		
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
FTE									
2024	2025	2026	2027	2028	2029	2030			
0.0	0.0	0.0	0.0	0.0	0.0	0.0			

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

In order to implement any present and future legislative, Commission, and public requested enhancements to the electronic filing system and the 1295 filing application, the Commission would need to contract with the vendor for service by the hour. The vendor’s hourly time and materials rate is \$150/hour for FY2024-FY2025. This rate is not changing for FY2026-FY2027. However, technological challenges could increase the rate at 25% in future years. The Commission is anticipating some requested changes to take up to 500 hours to complete. The number of hours varies depending on the complexity of the requested enhancements. Funding to add new features to the electronic filing system will benefit the public and persons who use the system to file reports. As the system is used, a new set of user needs will surface that can be addressed by enhancing the system. Enhancements can be software and/or hardware based. Keeping up with technology will result in improved compliance and more disclosure for the public. All GR funded.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$137,500	\$137,500	\$137,500

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 100.00%

CONTRACT DESCRIPTION :

The Commission currently has a contract agreement for maintenance and support of the electronic filing system with the vendor that developed the Electronic filing system

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:13PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	and the 1295 filing application. Enhancements to the system are not considered maintenance activities but are handled in the contract as time and materials billed at an hourly rate. This project includes enhancements by the contractor to the system for items that are beyond the initial design of the project (\$137,500 per year).		

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Adjust Exempt Positions			
Allocation to Strategy: 1-1-2 Perform All Legal and Regulatory Functions of the Agency			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	31,000	31,000
2009	OTHER OPERATING EXPENSE	465	465
TOTAL, OBJECT OF EXPENSE		\$31,465	\$31,465
METHOD OF FINANCING:			
1	General Revenue Fund	31,465	31,465
TOTAL, METHOD OF FINANCING		\$31,465	\$31,465

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Adjust Exempt Positions			
Allocation to Strategy: 2-1-1 Central Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	37,396	37,396
2009	OTHER OPERATING EXPENSE	561	561
TOTAL, OBJECT OF EXPENSE		\$37,957	\$37,957
METHOD OF FINANCING:			
1	General Revenue Fund	37,957	37,957
TOTAL, METHOD OF FINANCING		\$37,957	\$37,957

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Additional Full Time Employees			
Allocation to Strategy: 1-1-2 Perform All Legal and Regulatory Functions of the Agency			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	110,000	110,000
2009	OTHER OPERATING EXPENSE	6,405	4,043
TOTAL, OBJECT OF EXPENSE		\$116,405	\$114,043
METHOD OF FINANCING:			
1	General Revenue Fund	116,405	114,043
TOTAL, METHOD OF FINANCING		\$116,405	\$114,043
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

Agency code: 356 Agency name: Texas Ethics Commission

Code	Description	Excp 2026	Excp 2027
Item Name: Additional Full Time Employees			
Allocation to Strategy: 1-1-3 Respond to Complaints and Enforce Applicable Statutes			
EFFICIENCY MEASURES:			
<u>1</u>	Average Number of Business Days to Process Sworn Complaints	3.68	3.68
<u>4</u>	Average Time to Resolve Complaints after Jurisdiction Is Accepted	136.47	136.47
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	130,000	130,000
2009	OTHER OPERATING EXPENSE	6,705	4,343
TOTAL, OBJECT OF EXPENSE		\$136,705	\$134,343
METHOD OF FINANCING:			
1	General Revenue Fund	136,705	134,343
TOTAL, METHOD OF FINANCING		\$136,705	\$134,343
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.6	1.6

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Additional Full Time Employees			
Allocation to Strategy: 2-1-1 Central Administration			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	50,000	50,000
2009	OTHER OPERATING EXPENSE	3,935	1,572
TOTAL, OBJECT OF EXPENSE		\$53,935	\$51,572
METHOD OF FINANCING:			
1	General Revenue Fund	53,935	51,572
TOTAL, METHOD OF FINANCING		\$53,935	\$51,572
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Additional Full Time Employees			
Allocation to Strategy: 2-1-2 Information Resources			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	170,000	170,000
2009	OTHER OPERATING EXPENSE	9,526	4,702
TOTAL, OBJECT OF EXPENSE		\$179,526	\$174,702
METHOD OF FINANCING:			
1	General Revenue Fund	179,526	174,702
TOTAL, METHOD OF FINANCING		\$179,526	\$174,702
FULL-TIME EQUIVALENT POSITIONS (FTE):		2.0	2.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Lump Sum Payments to Retiring/Terminating Employees			
Allocation to Strategy: 1-1-1 Serve as the Repository for Statutorily Required Information			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	9,250	0
TOTAL, OBJECT OF EXPENSE		\$9,250	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	9,250	0
TOTAL, METHOD OF FINANCING		\$9,250	\$0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Lump Sum Payments to Retiring/Terminating Employees			
Allocation to Strategy: 1-1-2 Perform All Legal and Regulatory Functions of the Agency			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	50,727	0
TOTAL, OBJECT OF EXPENSE		\$50,727	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	50,727	0
TOTAL, METHOD OF FINANCING		\$50,727	\$0

Agency code: 356 Agency name: Texas Ethics Commission

Code	Description	Excp 2026	Excp 2027
Item Name: Lump Sum Payments to Retiring/Terminating Employees			
Allocation to Strategy: 1-1-3 Respond to Complaints and Enforce Applicable Statutes			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	48,581	0
TOTAL, OBJECT OF EXPENSE		\$48,581	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	48,581	0
TOTAL, METHOD OF FINANCING		\$48,581	\$0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Lump Sum Payments to Retiring/Terminating Employees			
Allocation to Strategy: 2-1-1 Central Administration			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	53,499	0
TOTAL, OBJECT OF EXPENSE		\$53,499	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	53,499	0
TOTAL, METHOD OF FINANCING		\$53,499	\$0

Agency code: 356 Agency name: Texas Ethics Commission

Code	Description	Excp 2026	Excp 2027
Item Name: Lump Sum Payments to Retiring/Terminating Employees			
Allocation to Strategy: 2-1-2 Information Resources			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	44,749	0
TOTAL, OBJECT OF EXPENSE		\$44,749	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	44,749	0
TOTAL, METHOD OF FINANCING		\$44,749	\$0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:14PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Code	Description	Excp 2026	Excp 2027
Item Name: Electronic Filing System Improvements			
Allocation to Strategy: 2-1-2 Information Resources			
OBJECTS OF EXPENSE:			
5000	CAPITAL EXPENDITURES	137,500	137,500
TOTAL, OBJECT OF EXPENSE		\$137,500	\$137,500
METHOD OF FINANCING:			
1	General Revenue Fund	137,500	137,500
TOTAL, METHOD OF FINANCING		\$137,500	\$137,500

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:14PM

Agency Code: **356** Agency name: **Texas Ethics Commission**

GOAL: 1 Administer Public Disclosure/Ethics Laws

OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints

Service Categories:

STRATEGY: 1 Serve as the Repository for Statutorily Required Information

Service: 02 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2026	Excp 2027
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OBJECTS OF EXPENSE:

1002 OTHER PERSONNEL COSTS	9,250	0
Total, Objects of Expense	\$9,250	\$0

METHOD OF FINANCING:

1 General Revenue Fund	9,250	0
Total, Method of Finance	\$9,250	\$0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Lump Sum Payments to Retiring/Terminating Employees

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:14PM

Agency Code: **356** Agency name: **Texas Ethics Commission**

GOAL: 1 Administer Public Disclosure/Ethics Laws

OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints

Service Categories:

STRATEGY: 2 Perform All Legal and Regulatory Functions of the Agency

Service: 01 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	141,000	141,000
1002 OTHER PERSONNEL COSTS	50,727	0
2009 OTHER OPERATING EXPENSE	6,870	4,508
Total, Objects of Expense	\$198,597	\$145,508

METHOD OF FINANCING:

1 General Revenue Fund	198,597	145,508
Total, Method of Finance	\$198,597	\$145,508

FULL-TIME EQUIVALENT POSITIONS (FTE): 1.0 1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Adjust Exempt Positions

Additional Full Time Employees

Lump Sum Payments to Retiring/Terminating Employees

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:14PM

Agency Code: **356** Agency name: **Texas Ethics Commission**

GOAL: 1 Administer Public Disclosure/Ethics Laws

OBJECTIVE: 1 Access Required Reports; Respond to Advisory Reqs & Sworn Complaints

Service Categories:

STRATEGY: 3 Respond to Complaints and Enforce Applicable Statutes

Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2026	Exp 2027
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EFFICIENCY MEASURES:

<u>1</u> Average Number of Business Days to Process Sworn Complaints	3.68	3.68
<u>4</u> Average Time to Resolve Complaints after Jurisdiction Is Accepted	136.47	136.47

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	130,000	130,000
1002 OTHER PERSONNEL COSTS	48,581	0
2009 OTHER OPERATING EXPENSE	6,705	4,343
Total, Objects of Expense	\$185,286	\$134,343

METHOD OF FINANCING:

1 General Revenue Fund	185,286	134,343
Total, Method of Finance	\$185,286	\$134,343

FULL-TIME EQUIVALENT POSITIONS (FTE):

	1.6	1.6
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Additional Full Time Employees

Lump Sum Payments to Retiring/Terminating Employees

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:14PM

Agency Code: **356** Agency name: **Texas Ethics Commission**

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	87,396	87,396
1002 OTHER PERSONNEL COSTS	53,499	0
2009 OTHER OPERATING EXPENSE	4,496	2,133
Total, Objects of Expense	\$145,391	\$89,529

METHOD OF FINANCING:

1 General Revenue Fund	145,391	89,529
Total, Method of Finance	\$145,391	\$89,529

FULL-TIME EQUIVALENT POSITIONS (FTE):

1.0	1.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Adjust Exempt Positions
 Additional Full Time Employees
 Lump Sum Payments to Retiring/Terminating Employees

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:14PM

Agency Code: **356** Agency name: **Texas Ethics Commission**

GOAL: 2 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	170,000	170,000
1002 OTHER PERSONNEL COSTS	44,749	0
2009 OTHER OPERATING EXPENSE	9,526	4,702
5000 CAPITAL EXPENDITURES	137,500	137,500
Total, Objects of Expense	\$361,775	\$312,202

METHOD OF FINANCING:

1 General Revenue Fund	361,775	312,202
Total, Method of Finance	\$361,775	\$312,202

FULL-TIME EQUIVALENT POSITIONS (FTE):

	2.0	2.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Additional Full Time Employees

Lump Sum Payments to Retiring/Terminating Employees

Electronic Filing System Improvements

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:15PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Adjust Exempt Positions Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-02 Perform All Legal and Regulatory Functions of the Agency 02-01-01 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	68,396	68,396
2009	OTHER OPERATING EXPENSE	1,026	1,026
TOTAL, OBJECT OF EXPENSE		\$69,422	\$69,422
METHOD OF FINANCING:			
1	General Revenue Fund	69,422	69,422
TOTAL, METHOD OF FINANCING		\$69,422	\$69,422

DESCRIPTION / JUSTIFICATION:

The TEC's unsalaried commissioners meet just once a quarter, so it must have experienced and knowledgeable staff to administer the TEC's day-to-day operations and provide clear and accurate guidance to the commissioners. The TEC's two exempt positions—Executive Director and General Counsel—are both appointed by, and report to, the commissioners.

The request includes \$37,369 in salary funding and \$561 in agency contributions to retirement and health insurance funding for the Executive Director. The request also includes \$31,000 in salary funding and \$465 in agency contributions to retirement and health insurance funding for the General Counsel.

EXTERNAL/INTERNAL FACTORS:

Increasing the Executive Director's and General Counsel's salaries will allow the TEC to attract and retain highly skilled personnel in key leaderships positions and bring these exempt salaries in line with other state agencies.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going funds will be needed to maintain the Executive Director's and General Counsel's salaries.

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$69,422	\$69,422	\$69,422

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Adjust Exempt Positions		
	Sub Request Name: Reclassify the Executive Director to Group 5 with a Salary of \$190k		
	Sub Request Priority: (a)		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 02-01-01 Central Administration		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	37,396	37,396
2009	OTHER OPERATING EXPENSE	561	561
	TOTAL, OBJECT OF EXPENSE	\$37,957	\$37,957
 METHOD OF FINANCING:			
1	General Revenue Fund	37,957	37,957
	TOTAL, METHOD OF FINANCING	\$37,957	\$37,957

DESCRIPTION / JUSTIFICATION:

The TEC is requesting an exempt salary increase for the Executive Director and a re-classification from group 4 to group 5. A salary increase is needed to attract and retain qualified candidates.

The request would put the executive director in line with other state executives that require similar experience. Comparable positions include:(i) Chief Administrative Law Judge(\$184,802); (ii) Executive Director of the Department of Licensing and Regulation (\$190,000), (iii) Executive Director of the Texas Medical Board (\$174,776), (iv) Executive Director of the Texas Board of Nursing (\$171,547), and (v) Securities Commissioner (\$177,836).

EXTERNAL/INTERNAL FACTORS:

Increasing the Executive Director’s salary will allow the TEC to attract and retain highly skilled attorneys in a key leadership position and bring this exempt salary in line with other state agencies.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to support the Executive Director's salary increase. \$37,396 for salaries and wages from OOE 1001 and \$561 for benefits out of OOE 2009 in strategy 2.1.1.

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$37,957	\$37,957	\$37,957

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Adjust Exempt Positions		
	Sub Request Name: Adjust the General Counsel's Salary		
	Sub Request Priority: (b)		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-02 Perform All Legal and Regulatory Functions of the Agency		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	31,000	31,000
2009	OTHER OPERATING EXPENSE	465	465
	TOTAL, OBJECT OF EXPENSE	\$31,465	\$31,465
 METHOD OF FINANCING:			
1	General Revenue Fund	31,465	31,465
	TOTAL, METHOD OF FINANCING	\$31,465	\$31,465

DESCRIPTION / JUSTIFICATION:

The requested salary of \$175,000 per year would place the TEC's general counsel between the SAO midpoints for a General Counsel III and General Counsel IV and below the midpoint for a Deputy Director I.

The TEC's General Counsel serves as legal counsel to the Commissioners, providing legal advice on decisions related to policy, personnel, procedures, and guidance on open meetings and open records laws. The General Counsel must be a licensed attorney and have extensive legal knowledge, including the laws, regulations, and rules under the TEC's administration and enforcement. To attract and retain highly skilled candidates the TEC must be able to stay competitive with other state agencies.

EXTERNAL/INTERNAL FACTORS:

Increasing the General Counsel's salary will allow the TEC to attract and retain highly skilled attorneys in key leaderships positions and bring these exempt salaries in line with other state agencies.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to support the General Counsel's salary increase. \$31,000 for salaries and wages from OOE 1001 and \$465 for benefits out of OOE 2009 in strategy A.1.2.

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$31,465	\$31,465	\$31,465

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
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Item Name: Additional Full Time Employees
Item Priority: 2
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > \$50,000: No
Includes Funding for the Following Strategy or Strategies:

01-01-02	Perform All Legal and Regulatory Functions of the Agency
01-01-03	Respond to Complaints and Enforce Applicable Statutes
02-01-01	Central Administration
02-01-02	Information Resources

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	460,000	460,000
2009	OTHER OPERATING EXPENSE	26,571	14,660
TOTAL, OBJECT OF EXPENSE		\$486,571	\$474,660

METHOD OF FINANCING:

1	General Revenue Fund	486,571	474,660
TOTAL, METHOD OF FINANCING		\$486,571	\$474,660

FULL-TIME EQUIVALENT POSITIONS (FTE):

	5.60	5.60
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DESCRIPTION / JUSTIFICATION:

After having its FTE cap cut by six last biennium, the TEC is requesting the return of 5.6 FTEs. Restoring the 5.6 FTEs would allow the TEC to address its growing workload, comply with SAO audit findings, and most efficiently serve the public. Additionally, the TEC currently exceeds its FTE cap by 0.4 at full employment.

All requested salaries are near the SAO midpoints for their classification.

The request includes:

- (a)1.0 Project Manager III to coordinate with the TEC's outside vendor maintaining, developing, and improving the agency's electronic filing system. This request includes \$220,000 in salary funding and \$8,524 in other operating expenses over the biennium in Strategy B.1.2.
- (b)1.0 Attorney III to address a growing number of sworn complaints and to ensure compliance with statutory deadlines. This request includes \$220,000 in salary funding and \$10,448 in other operating expenses over the biennium in Strategy A.1.3.
- (c)1.0 Attorney III to ensure compliance with all applicable laws and regulations and to assist in updating the administrative rules. This request includes \$220,000 in salary funding and \$10,448 in other operating expenses over the biennium in Strategy A.1.2.
- (d)1.0 Customer Service Rep III to assist with administrative duties and to communicate with and assist the general public. This request includes \$100,000 in salary funding and \$5,507 in other operating expenses over the biennium in Strategy B.1.1.

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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(e) 1.0 IT Support Specialist to respond to requests for technical assistance. This request includes \$120,000 in salary funding and \$5,704 in other operating expenses over the biennium in Strategy B.1.2.

(f) 0.6 Auditor in enforcement to bring the current part-time auditor up to full time and to increase the cap so TEC does exceed it at full employment. This request includes \$40,000 in salary funding and \$600 in other operating expenses over the biennium in Strategy A.1.3.

EXTERNAL/INTERNAL FACTORS:

As the TEC's workload continues to grow it is important that the agency has sufficient staff to meet statutory deadlines as well as continue to efficiently serve the public . TEC has seen significant growth across all strategies and programs.

TEC has received 543 complaints in FY 2024, up 40% from the previous record of 390 set in FY 2023. FY 2024 also set a record for the number of TEC filers (10,332), up 12% from 2019, and calls received by the TEC's legal helpline (7,045), up 62% from 2020.

From the 2020-2021 biennium to the 2022-23 biennium, the TEC issued 33 advisory opinions, up 73% from the previous biennium and over 300% from the biennium before that. The TEC sent 181,552 filing notices to filers, up 30% from the previous biennium. And the TEC processed 2,832 of requests to waive or reduce statutory penalties for late-filed reports, up 129% from the previous biennium.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going funds will be needed to support these additional FTEs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2028	2029	2030
	\$474,660	\$474,660	\$474,660

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Additional Full Time Employees Sub Request Name: Project Manager IV Sub Request Priority: (a) IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 02-01-02 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	110,000	110,000
2009	OTHER OPERATING EXPENSE	5,468	3,056
TOTAL, OBJECT OF EXPENSE		\$115,468	\$113,056
METHOD OF FINANCING:			
1	General Revenue Fund	115,468	113,056
TOTAL, METHOD OF FINANCING		\$115,468	\$113,056
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

The TEC’s most important function is to develop, maintain, and enhance an electronic filing system and a web-based portal for the public to access disclosure data. That function requires significant coordination with—and oversight of—the TEC’s technology vendors. The TEC is requesting the funding and authority to hire an experienced project manager to ensure that the Legislature’s investments in the TEC’s technology are spent efficiently and that the TEC’s technology vendors deliver results on time and on budget.

The TEC is requesting to fund the position near the midpoint for a Project Manager. This will allow the TEC to attract and retain a qualified candidate with experience managing information technology projects and contracts.

TEC is requesting funds in addition to salaries to cover various costs associated with new FTEs and on-going costs to support them. These costs include agency contribution to retirement and health insurance, laptops, docking stations, software licenses, and furniture.

EXTERNAL/INTERNAL FACTORS:

The TEC requires a project manager to oversee its contract with RFD for on-going maintenance of the electronic filing system (EFS). The position would also supervise the use of any remaining accumulated balance of enhancement hours as well as any future purchases of enhancement hours. Increased oversight of the outside vendor will ensure even more transparency and effective use of state funds.

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to continue the Project Manager Position. \$110,000 for salaries and wages from OOE 1001 and \$3,056 out of OOE 2009 for to support expenses needed to continue this role in strategy B.1.2.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$113,056	\$113,056	\$113,056

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Additional Full Time Employees		
	Sub Request Name: Attorney III, Enforcement		
	Sub Request Priority: (b)		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-03 Respond to Complaints and Enforce Applicable Statutes		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	110,000	110,000
2009	OTHER OPERATING EXPENSE	6,405	4,043
	TOTAL, OBJECT OF EXPENSE	\$116,405	\$114,043
 METHOD OF FINANCING:			
1	General Revenue Fund	116,405	114,043
	TOTAL, METHOD OF FINANCING	\$116,405	\$114,043
	FULL-TIME EQUIVALENT POSITIONS (FTE):	1.00	1.00

DESCRIPTION / JUSTIFICATION:

The TEC is also requesting one additional attorney for its Enforcement Division. The TEC has received an unprecedented number of sworn complaints in recent years. After setting a record of 390 complaints received in fiscal year 2023, the agency has already received more than 500 in fiscal year 2024. The agency needs another mid-level attorney to manage the increased workload and meet the various statutory deadlines related to processing complaints.

The TEC is requesting a salary near the midpoint for the classification.

TEC is requesting funds in addition to salaries to cover various costs associated with new FTEs and on-going costs to support them. These costs include agency contribution to retirement and health insurance, laptops, docking stations, software licenses, state bar fees, continuing legal education credits, and furniture.

EXTERNAL/INTERNAL FACTORS:

The number of complaints is unpredictable as they are outside of the agency's control. The growing number of complaints has put excessive strain on the agency's limited resources. TEC does anticipate that the number of complaints will continue to increase over the coming biennium.

PCLS TRACKING KEY:

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to continue the attorney III. \$110,000 for salaries and wages from OOE 1001 and \$4,043 out of OOE 2009 for to support expenses needed to continue this role in strategy A.1.3.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$114,043	\$114,043	\$114,043

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
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Item Name: Additional Full Time Employees
Sub Request Name: Attorney III, Office of General Counsel
Sub Request Priority: (c)
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > \$50,000: No
Includes Funding for the Following Strategy or Strategies: 01-01-02 Perform All Legal and Regulatory Functions of the Agency

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	110,000	110,000
2009	OTHER OPERATING EXPENSE	6,405	4,043
TOTAL, OBJECT OF EXPENSE		\$116,405	\$114,043

METHOD OF FINANCING:

1	General Revenue Fund	116,405	114,043
TOTAL, METHOD OF FINANCING		\$116,405	\$114,043

FULL-TIME EQUIVALENT POSITIONS (FTE):

	1.00	1.00
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DESCRIPTION / JUSTIFICATION:

The TEC is requesting an additional attorney for its Office of General Counsel. This attorney would help ensure the TEC's compliance with applicable contracting and employment laws and regulations, aid the TEC's ongoing efforts to review its administrative rules pursuant to Section 2001.039 of the Government Code, and provide clear and timely legal guidance to the TEC's regulated community.

The request is to fund the attorney position near the midpoint. This will allow TEC to attract and retain a qualified and knowledgeable attorney.

TEC is requesting funds in addition to salaries to cover various costs associated with new FTEs and on-going costs to support them. These costs include agency contribution to retirement and health insurance, laptops, docking stations, software licenses, state bar fees, continuing legal education credits, and furniture.

EXTERNAL/INTERNAL FACTORS:

An additional attorney will assist in ensuring the agency's compliance with statute and to assist as the agency revises the admirative rules as required by Sec. 2001.039 of the Government Code. The attorney would also assist in responding to the growing number of advisory opinions requested.

PCLS TRACKING KEY:

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to continue the attorney III. \$110,000 for salaries and wages from OOE 1001 and \$4,043 out of OOE 2009 for to support expenses needed to continue this role in strategy A.1.3.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$114,043	\$114,043	\$114,043

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Additional Full Time Employees		
	Sub Request Name: Customer Service Representative III		
	Sub Request Priority: (d)		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 02-01-01 Central Administration		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	50,000	50,000
2009	OTHER OPERATING EXPENSE	3,935	1,572
	TOTAL, OBJECT OF EXPENSE	\$53,935	\$51,572
 METHOD OF FINANCING:			
1	General Revenue Fund	53,935	51,572
	TOTAL, METHOD OF FINANCING	\$53,935	\$51,572
	FULL-TIME EQUIVALENT POSITIONS (FTE):	1.00	1.00

DESCRIPTION / JUSTIFICATION:

After the agency's FTE cap was cut last session and as a result of an SAO audit, the TEC choose to replace its receptionist with a budget analyst. The TEC wants to return to having one dedicated staff member to answer and route phone calls, reviewing and routing mail and other written correspondence, entering information into databases, researching information to solve customer service problems, and performing other general clerical services.

The TEC is requesting the position be funded near the midpoint so it is able to attract and retain a qualified candidate and reduce the amount of time spent training.

TEC is requesting funds in addition to salaries to cover various costs associated with new FTEs and on-going costs to support them. These costs include agency contribution to retirement and health insurance, laptops, docking stations, software licenses, and furniture.

EXTERNAL/INTERNAL FACTORS:

The TEC choose to replace this position with a budget analyst following an SAO audit finding the agency was not in compliance with all financial requirements. Restoring this position would decrease the workload on strained administrative staff and would allow the agency to more efficiently serve the public by responding to requests for assistance.

PCLS TRACKING KEY:

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to continue the Customer Service Representative Position. \$50,000 for salaries and wages from OOE 1001 and \$1,572 out of OOE 2009 for to support expenses needed to continue this role in strategy B.1.1.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$51,572	\$51,572	\$51,572

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Additional Full Time Employees		
	Sub Request Name: Information Technology Support Specialist III		
	Sub Request Priority: (e)		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 02-01-02 Information Resources		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	60,000	60,000
2009	OTHER OPERATING EXPENSE	4,058	1,646
	TOTAL, OBJECT OF EXPENSE	\$64,058	\$61,646
 METHOD OF FINANCING:			
1	General Revenue Fund	64,058	61,646
	TOTAL, METHOD OF FINANCING	\$64,058	\$61,646
	FULL-TIME EQUIVALENT POSITIONS (FTE):	1.00	1.00

DESCRIPTION / JUSTIFICATION:

Each year the TEC responds to many thousands of requests for technical assistance. These requests are currently handled by the TEC's programmers and systems administrator. The TEC is requesting the funding and authority to hire a dedicated IT support specialist, which will result not only in better customer service, but also more time for the agency's programming and technical staff to focus on their primary responsibilities.

The TEC is requesting the position be filled near the midpoint to attract and retain qualified candidates.

TEC is requesting funds in addition to salaries to cover various costs associated with new FTEs and on-going costs to support them. These costs include agency contribution to retirement and health insurance, laptops, docking stations, software licenses, and furniture.

EXTERNAL/INTERNAL FACTORS:

Currently TEC programmers and system administrators response to public requests for assistance taking them away from their specialized roles. Adding this position would decrease the workload on IT staff allowing them to better focus on their areas of expertise and would better serve the public by allowing specialization on IT related service requests.

PCLS TRACKING KEY:

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

On-going cost to continue the information tech support specialist position. \$60,000 for salaries and wages from OOE 1001 and \$1,646 out of OOE 2009 for to support expenses needed to continue this role in strategy B.1.2.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$61,646	\$61,646	\$61,646

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Additional Full Time Employees		
	Sub Request Name: Bring Part Time Auditor Position to Full-Time		
	Sub Request Priority: (f)		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-03 Respond to Complaints and Enforce Applicable Statutes		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	20,000	20,000
2009	OTHER OPERATING EXPENSE	300	300
	TOTAL, OBJECT OF EXPENSE	\$20,300	\$20,300

METHOD OF FINANCING:

1	General Revenue Fund	20,300	20,300
	TOTAL, METHOD OF FINANCING	\$20,300	\$20,300

FULL-TIME EQUIVALENT POSITIONS (FTE):

	0.60	0.60
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DESCRIPTION / JUSTIFICATION:

The TEC is requesting to bring its part time auditor, currently budgeted at 0.4 FTE to 1.0 FTE. Converting from a part-time to full-time employee would allow the TEC to stay under its cap and would make a vacancy easier to fill should the current part-time t auditor leave the role.

EXTERNAL/INTERNAL FACTORS:

The TEC currently exceeds its FTE cap by 0.4 FTEs due the agency's cap being cut last session.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Converting this position from part-time to full-time would require \$20,000 per year to cover the salary expenses out of OOE 1001 and \$300 per year to cover other related costs out of OOE 2009.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$20,300	\$20,300	\$20,300

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Lump Sum Payments to Retiring/Terminating Employees Item Priority: 3 IT Component: No Anticipated Out-year Costs: No Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Serve as the Repository for Statutorily Required Information		
	01-01-02 Perform All Legal and Regulatory Functions of the Agency		
	01-01-03 Respond to Complaints and Enforce Applicable Statutes		
	02-01-01 Central Administration		
	02-01-02 Information Resources		

OBJECTS OF EXPENSE:

1002	OTHER PERSONNEL COSTS	206,806	0
	TOTAL, OBJECT OF EXPENSE	\$206,806	\$0

METHOD OF FINANCING:

1	General Revenue Fund	206,806	0
	TOTAL, METHOD OF FINANCING	\$206,806	\$0

DESCRIPTION / JUSTIFICATION:

The TEC is required to pay retiring employees a lump sum for unused annual leave. Nine of the Commission's current employees are eligible for retirement in fiscal year 2026 and an additional one will become eligible in fiscal year 2027. Combined, this represents nearly one-third of the current workforce, and they will be owed a maximum total payment of \$206,806 in lump sum entitlements upon their retirement. Many of these employees occupy senior positions within the agency.

EXTERNAL/INTERNAL FACTORS:

Nine of the Commission's current employees are eligible for retirement in fiscal year 2026 and an additional one will become eligible in fiscal year 2027. Combined, this represents nearly thirty percent of the current workforce. Many of these employees occupy key positions within the agency, and will be owed payments of \$206,806 in lump sum entitlements upon their retirement.

PCLS TRACKING KEY:

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<p>Item Name: Electronic Filing System Improvements Item Priority: 4 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 02-01-02 Information Resources</p>		
OBJECTS OF EXPENSE:			
5000	CAPITAL EXPENDITURES	137,500	137,500
TOTAL, OBJECT OF EXPENSE		\$137,500	\$137,500
METHOD OF FINANCING:			
1	General Revenue Fund	137,500	137,500
TOTAL, METHOD OF FINANCING		\$137,500	\$137,500

DESCRIPTION / JUSTIFICATION:

Funding is required to continue improving the filing system and accommodate statutory changes. The request would continue previously appropriated amounts.

The requested appropriation would allow the agency to continue making improvements and responding statutory changes.

The TEC intends to make the following improvements to better serve the filers.

- (1) continued automation and electronic transmission of late-filing notices;
- (2) a modernized approach to account management, including the ability to file and amend treasurer appointments online;
- (3) revisions to the personal financial statement reporting forms;
- (4) online penalty payment;
- (5) automated tracking of referrals to the OAG

EXTERNAL/INTERNAL FACTORS:

The Commission is charged by statute to provide an electronic filing system for the state of Texas campaign finance, lobby, and personal financial statement filers. The filing system is fully managed by the vendor that developed the software, and this vendor must make the code changes to the system. Enhancements to the filing system are not covered under the maintenance contract with the vendor. Enhancement work is billed as time and materials at \$150/hour. Enhancements to the system are required when legislative changes and new Commission rules modify the underlying business rules of the filing system components and when the agency determines changes are needed to integrate with agency processes to improve staff productivity, and when filers request changes for ease of use.

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:15PM

Agency code: 356

Agency name: Texas Ethics Commission

CODE	DESCRIPTION	Excp 2026	Excp 2027
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PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The agency is requesting \$137,500 in both FY 2026 and in FY2027 to fund enhancements to the electronic filing system. The filing system is fully managed by the vendor that developed the software, and this vendor must make the code changes to the system. Enhancements to the filing system are not covered under the maintenance contract with the vendor. Enhancement work is billed as time and materials at \$150/hour.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

STATUS:

Currently the legislature has appropriated funds in the budget baseline for maintenance of the filing system. This funding does not include dollars for enhancements to the campaign finance, lobby, or personal financial statement filing applications, and the Filing Application Manager. Every legislative session unfunded mandates affecting the campaign finance, personal financial statement, and/or the lobby filing application are passed. The affected filing application must be enhanced, typically requiring several hundred hours of labor to implement the required changes to the source code. The Commission anticipates there will be source code modifications required to implement legislative changes passed during the 89th Legislative Session. In addition, there are several enhancements to the campaign finance application, lobby filing application, personal financial statement application, and the Filing Application Manager that the Commission desires to implement if funding is awarded, including automating the first administrative late letter sent to a filer 10 days after a filer misses a filing deadline, reformatting the investment parts of the PFS report to better align with modern investment strategies and IRS reporting, automatically close out PAC filers when the PAC files a final report, and migrate the TEC bulk email processes to the filing system so that outgoing bulk emails can be systematically logged into the database.

OUTCOMES:

Enhancements to the Commission's filing applications enable the Commission's filers to comply with the State of Texas laws and regulations related to those filing requirements. Enhancements can improve the function, usability, and performance of the filing applications, thus enabling filers to enjoy a good filing experience while meeting legal requirements of filing. Enhancements result in cost efficiencies when they automate manual staff tasks that are data entry error prone, thereby greatly increasing the speed at the task is performed and complete as well as eliminating human data entry errors.

OUTPUTS:

Enhancements to the filing applications better enable filers to disclose what is required to be disclosed by law. Data entry steps that may be difficult to understand may be simplified for easier data entry by the filers, resulting in less calls for IT or legal consultation for that section of the form. Enhancements that can automate staff's repetitive tasks will free up staff members to work on other pressing matters.

TYPE OF PROJECT

Acquisition and Refresh of Hardware and Software

ALTERNATIVE ANALYSIS

The TEC electronic filing system is fully vendor managed. If the project is not funded or is only funded in part, the Commission may not be able to make enhancements to the code as required by legislative mandates, or to satisfy changing business rules set by new Commission rules, or as requested by our staff and filers for ease of use. If the Commission is not able to make enhancements as required by legislative mandate, the state runs the risk of filed reports not being compliant with the law.

Exceptional Item Request Schedule with Sub Requests
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:15PM

Agency code: 356 Agency name: Texas Ethics Commission

CODE	DESCRIPTION							Excp 2026	Excp 2027
ESTIMATED IT COST									
2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project		
\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$962,500		
SCALABILITY									
2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project		
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
FTE									
2024	2025	2026	2027	2028	2029	2030			
0.0	0.0	0.0	0.0	0.0	0.0	0.0			

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

In order to implement any present and future legislative, Commission, and public requested enhancements to the electronic filing system and the 1295 filing application, the Commission would need to contract with the vendor for service by the hour. The vendor’s hourly time and materials rate is \$150/hour for FY2024-FY2025. This rate is not changing for FY2026-FY2027. However, technological challenges could increase the rate at 25% in future years. The Commission is anticipating some requested changes to take up to 500 hours to complete. The number of hours varies depending on the complexity of the requested enhancements. Funding to add new features to the electronic filing system will benefit the public and persons who use the system to file reports. As the system is used, a new set of user needs will surface that can be addressed by enhancing the system. Enhancements can be software and/or hardware based. Keeping up with technology will result in improved compliance and more disclosure for the public. All GR funded.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$137,500	\$137,500	\$137,500

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 100.00%

CONTRACT DESCRIPTION :

The Commission currently has a contract agreement for maintenance and support of the electronic filing system with the vendor that developed the Electronic filing system

Exceptional Item Request Schedule with Sub Requests
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
TIME: **1:45:15PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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and the 1295 filing application. Enhancements to the system are not considered maintenance activities but are handled in the contract as time and materials billed at an hourly rate. This project includes enhancements by the contractor to the system for items that are beyond the initial design of the project (\$137,500 per year).

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME : **1:45:16PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

5005 Acquisition of Information Resource Technologies

*1/1 Vendor Support for Electronic Filing &
 Disclosure Database Systems*

OBJECTS OF EXPENSE

Capital

General	5000	CAPITAL EXPENDITURES		\$447,890	\$447,890	\$447,890	\$447,890
		Capital Subtotal OOE, Project	1	\$447,890	\$447,890	\$447,890	\$447,890
		Subtotal OOE, Project	1	\$447,890	\$447,890	\$447,890	\$447,890

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$447,890	\$447,890	\$447,890	\$447,890
			Capital Subtotal TOF, Project	\$447,890	\$447,890	\$447,890	\$447,890
			Subtotal TOF, Project	\$447,890	\$447,890	\$447,890	\$447,890

*2/2 Case Management Software License
 Subscription*

OBJECTS OF EXPENSE

Capital

General	5000	CAPITAL EXPENDITURES		\$22,000	\$22,000	\$0	\$0
		Capital Subtotal OOE, Project	2	\$22,000	\$22,000	\$0	\$0
		Subtotal OOE, Project	2	\$22,000	\$22,000	\$0	\$0

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$22,000	\$22,000	\$0	\$0
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5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME : **1:45:16PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

Capital Subtotal TOF, Project 2

\$22,000

\$22,000

\$0

\$0

Subtotal TOF, Project 2

\$22,000

\$22,000

\$0

\$0

3/3 Enhancements to Electronic Filing System

OBJECTS OF EXPENSE

Capital

General 5000 CAPITAL EXPENDITURES

\$137,500

\$137,500

\$0

\$0

Capital Subtotal OOE, Project 3

\$137,500

\$137,500

\$0

\$0

Subtotal OOE, Project 3

\$137,500

\$137,500

\$0

\$0

TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund

\$137,500

\$137,500

\$0

\$0

Capital Subtotal TOF, Project 3

\$137,500

\$137,500

\$0

\$0

Subtotal TOF, Project 3

\$137,500

\$137,500

\$0

\$0

4/4 Improve Agency Website User Interface

OBJECTS OF EXPENSE

Capital

General 5000 CAPITAL EXPENDITURES

\$150,000

\$0

\$0

\$0

Capital Subtotal OOE, Project 4

\$150,000

\$0

\$0

\$0

Subtotal OOE, Project 4

\$150,000

\$0

\$0

\$0

TYPE OF FINANCING

Capital

General CA 1 General Revenue Fund

\$150,000

\$0

\$0

\$0

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME : **1:45:16PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

Capital Subtotal TOF, Project	4	\$150,000	\$0	\$0	\$0
Subtotal TOF, Project	4	\$150,000	\$0	\$0	\$0
Capital Subtotal, Category	5005	\$757,390	\$607,390	\$447,890	\$447,890
Informational Subtotal, Category	5005				
Total, Category	5005	\$757,390	\$607,390	\$447,890	\$447,890

9500 Legacy Modernization

5/5 Managed Cloud Services for TEC Electronic Filing System

OBJECTS OF EXPENSE

Capital

General	5000	CAPITAL EXPENDITURES	\$247,000	\$0	\$247,000	\$0
Capital Subtotal OOE, Project	5		\$247,000	\$0	\$247,000	\$0
Subtotal OOE, Project	5		\$247,000	\$0	\$247,000	\$0

TYPE OF FINANCING

Capital

General	CA	1	General Revenue Fund	\$247,000	\$0	\$247,000	\$0
Capital Subtotal TOF, Project	5			\$247,000	\$0	\$247,000	\$0
Subtotal TOF, Project	5			\$247,000	\$0	\$247,000	\$0
Capital Subtotal, Category	9500			\$247,000	\$0	\$247,000	\$0
Informational Subtotal, Category	9500						
Total, Category	9500			\$247,000	\$0	\$247,000	\$0

5.A. Capital Budget Project Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME : **1:45:16PM**

Agency code: **356**

Agency name: **Texas Ethics Commission**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2024

Bud 2025

BL 2026

BL 2027

AGENCY TOTAL -CAPITAL

\$1,004,390

\$607,390

\$694,890

\$447,890

AGENCY TOTAL -INFORMATIONAL

AGENCY TOTAL

\$1,004,390

\$607,390

\$694,890

\$447,890

METHOD OF FINANCING:

Capital

General 1 General Revenue Fund

\$1,004,390

\$607,390

\$694,890

\$447,890

Total, Method of Financing-Capital

\$1,004,390

\$607,390

\$694,890

\$447,890

Total, Method of Financing

\$1,004,390

\$607,390

\$694,890

\$447,890

TYPE OF FINANCING:

Capital

General CA CURRENT APPROPRIATIONS

\$1,004,390

\$607,390

\$694,890

\$447,890

Total, Type of Financing-Capital

\$1,004,390

\$607,390

\$694,890

\$447,890

Total, Type of Financing

\$1,004,390

\$607,390

\$694,890

\$447,890

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:16PM

Agency Code:	356	Agency name:	Texas Ethics Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	Vendor Support

PROJECT DESCRIPTION

General Information

The agency plans to extend the current maintenance contract with the vendor that designed and developed the agency's electronic filing system to cover maintenance and warranty and hosting of the system. The contract includes maintenance for the Filing Application Manager, the campaign finance filing application, the Lobby filing application, the Personal Financial Statement filing application, the certificate of Interested Parties (Form 1295) filing application, and the underlying software infrastructure developed by the vendor.

PLCS Tracking Key	N/A
Number of Units / Average Unit Cost	1@350,000 until the end of FY 25. Unknown after the contract exp.
Estimated Completion Date	Until end of use of EFS

Additional Capital Expenditure Amounts Required	2028	2029
	447,890	447,890

Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	\$1,791,560
Estimated/Actual Project Cost	\$1,791,560
Length of Financing/ Lease Period	Annual

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2026	2027	2028	2029		
447,890	447,890	447,890	447,890		1,791,560

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
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Explanation: The Commission plans to extend the current maintenance contract with the vendor that designed and developed the Commission's electronic filing system. The filing system is fully managed by this vendor.

Project Location: EFS is running in the AWS cloud. The vendor managing the system and TEC staff are in ATX. Users are mostly in TX, but can be from other areas. CIP entities are mostly in TX, but are also from other locations.

Beneficiaries: Officials, candidates for office in TX , PACs registered in TX, out-of-state PACs active in TX, state/agency employees, registered lobbyists, business and gov. entities going into contract, and general public.

Frequency of Use and External Factors Affecting Use:
 Daily/Laws of the Legislature and court ruling that impact filing requirements.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:16PM

Agency Code:	356	Agency name:	Texas Ethics Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	2	Project Name:	Case Management Software License

PROJECT DESCRIPTION

General Information

The case management system procured in FY 2020 is a software license subscription that needs to be renewed on a yearly basis.

This is no longer a capital budget item.

PLCS Tracking Key

N/A

Number of Units / Average Unit Cost

N/A

Estimated Completion Date

Until end of use or replacement

Additional Capital Expenditure Amounts Required

2028

2029

0

0

Type of Financing

CA CURRENT APPROPRIATIONS

Projected Useful Life

Until end of use or replacement

Estimated/Actual Project Cost

\$0

Length of Financing/ Lease Period

N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2026

2027

2028

2029

**Total over
project life**

0

0

0

0

0

REVENUE GENERATION / COST SAVINGS

REVENUE COST FLAG

MOF CODE

AVERAGE AMOUNT

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: This is no longer a capital budget item.

Project Location: This is no longer a capital budget item.

Beneficiaries: This is no longer a capital budget item.

Frequency of Use and External Factors Affecting Use:

This is no longer a capital budget item.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:16PM

Agency Code:	356	Agency name:	Texas Ethics Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	3	Project Name:	Enhancements to E-Filing System

PROJECT DESCRIPTION

General Information

The Commission’s maintenance contract with the vendor for the agency’s electronic filing system does not cover enhancements to the system. Enhancements to the campaign finance, lobby, personal financial statement, and certificates of interested party filing applications are required when legislative changes and new Commission rules modify the underlying business rules of the filing system components. The Commission is also sensitive to public requests for modifying the source code for ease of use.

PLCS Tracking Key N/A
Number of Units / Average Unit Cost (916.7) hrs @ a rate of \$150/hr= \$137,500
Estimated Completion Date Until end of use of EFS

Additional Capital Expenditure Amounts Required	2028	2029
	137,500	137,500

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life Until end of use of EFS

Estimated/Actual Project Cost \$555,000

Length of Financing/ Lease Period Annual

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2026	2027	2028	2029		
137,500	137,500	137,500	137,500		555,000

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: Commission will continue to anticipate future changes required by legislative changes passed during the 88th Legislative Session. Commission desires to implement several enhancements to the Filing Applications if funding is awarded.

Project Location: The system is maintained at the Texas Ethics Commission headquarters in Austin, Texas. The system benefits filers throughout the state.

Beneficiaries: Elected/appointed public officials, political committees registered in Texas and out-of-state committees active in Texas, state/agency employees, candidates for office in Texas, registered and general public.

Frequency of Use and External Factors Affecting Use:

As enhancements are needed based on Laws of the Legislature and court rulings that impact filing requirements and technology growth.

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:16PM

Agency Code:	356	Agency name:	Texas Ethics Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	4	Project Name:	Website User Interface

PROJECT DESCRIPTION

General Information

To better serve the public and persons filing reports under the agency's laws, the agency is looking to contract programming resources to redesign and recode the website with a modern, responsive design so that the site is easy to navigate and easily scales to mobile devices. Having the ability to modernize the agency website would enhance the use of that new system and would be of great service to the hundreds of thousands of individuals who access the website on a yearly basis.

PLCS Tracking Key

Number of Units / Average Unit Cost \$150,000 for one-time. This is no longer a capital budget item
Estimated Completion Date 8/31/24

Additional Capital Expenditure Amounts Required

2028	2029
0	0

Type of Financing CA CURRENT APPROPRIATIONS
Projected Useful Life Until Replaced
Estimated/Actual Project Cost \$150,000
Length of Financing/ Lease Period One-time

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2026	2027	2028	2029	Total over project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: Redesign and retool the Commission's website. The agency's website can be difficult to navigate. Because of its many statutory duties, it is necessary for the agency to place on its website large amounts of information. To better serve the public and persons filing reports under the agency's laws, the agency is looking to contract programming resources to redesign and recode the website with a modern, responsive design so that the site is easy to navigate and easily scales to mobile devices.

Project Location: Texas Ethics Commission headquarters in Austin, Texas.

Beneficiaries: Elected/appointed public officials, political committees registered in Texas and out-of-state committees active in Texas, state/agency employees, candidates for office in Texas, registered and general public.

Frequency of Use and External Factors Affecting Use:

Daily 24x7x365

5.B. Capital Budget Project Information
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:16PM

Agency Code:	356	Agency name:	Texas Ethics Commission
Category Number:	9500	Category Name:	Legacy Modernization
Project number:	5	Project Name:	Managed Cloud Services

PROJECT DESCRIPTION

General Information

The Texas Ethics Commission's (TEC) electronic filing system software has been running in the Amazon Web Services (AWS) public cloud since October 2022. The vendor that developed the system is managing the hosting services for the agency. The TEC electronic filing system implementation requires the computational resources of 14 AWS EC2 virtual machines used for production and development/UAT servers. The EC2 server resources are tuned and sized to meet the needs of the various applications that make up the electronic filing system. The TEC electronic filing system deployment uses the AWS Aurora PostgreSQL Compatible Relational Database Services (RDS) Platform as a Service (PaaS) product that AWS sells as a unique resource. The filing system also uses two additional software products, Dynatrace Application Security and CrowdStrike Falcon Endpoint Security Enterprise, that are not sourced by AWS and must be procured from different software vendors. In addition to using the AWS Web Application Firewall (WAF), several AWS cybersecurity programs are employed as safeguards for the system.

PLCS Tracking Key	PCLS_88R_356_1110488
Number of Units / Average Unit Cost	78,388 per fiscal year in the 2024-25 biennium
Estimated Completion Date	Until End of Use

Additional Capital Expenditure Amounts Required	2028	2029
	78,338	78,338
Type of Financing	CA CURRENT APPROPRIATIONS	
Projected Useful Life	313352	
Estimated/Actual Project Cost	\$313,352	
Length of Financing/ Lease Period	Annual	

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2026	2027	2028	2029		
78,338	78,338	78,338	78,338		313,352

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: TEC's EFS has been running in AWS since October 2022. The vendor vendor that developed the system is managing the hosting services for the agency. The TEC electronic filing system implementation requires the computational resources of 14 AWS EC2 virtual machines used for production and development/UAT servers. The EC2 server resources are tuned and sized to meet the needs of the various applications that make up the electronic filing system.

Project Location: The EFS is running in the AWS cloud. The vendor and TEC staff are located in Austin, Texas. System users are primarily in Texas. CIPS business entities are located from around the country and internationally.

5.B. Capital Budget Project Information
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
TIME: 1:45:16PM

Beneficiaries: Elected/appointed public official, PACS registered in Texas and out-of-state active in Texas, state/agency employees, candidates for office, registered lobbyists and general public, entities going into contract

Frequency of Use and External Factors Affecting Use:

Daily 24x7x365 / The filings system is hosted in the AWS public cloud and consumed resource charges must be paid to AWS.

Agency code: **356** Agency name: **Texas Ethics Commission**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
5005 Acquisition of Information Resource Technologies					
<i>1/1 Vendor Support</i>					
<u>GENERAL BUDGET</u>					
Capital	2-1-2 INFORMATION RESOURCES	447,890	447,890	\$447,890	\$447,890
	TOTAL, PROJECT	<u>\$447,890</u>	<u>\$447,890</u>	<u>\$447,890</u>	<u>\$447,890</u>
<i>2/2 Case Management Software License</i>					
<u>GENERAL BUDGET</u>					
Capital	2-1-2 INFORMATION RESOURCES	22,000	22,000	0	0
	TOTAL, PROJECT	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$0</u>	<u>\$0</u>
<i>3/3 Enhancements to E-Filing System</i>					
<u>GENERAL BUDGET</u>					
Capital	2-1-2 INFORMATION RESOURCES	137,500	137,500	0	0
	TOTAL, PROJECT	<u>\$137,500</u>	<u>\$137,500</u>	<u>\$0</u>	<u>\$0</u>
<i>4/4 Website User Interface</i>					
<u>GENERAL BUDGET</u>					
Capital	2-1-2 INFORMATION RESOURCES	150,000	0	0	0
	TOTAL, PROJECT	<u>\$150,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

9500 Legacy Modernization

5/5 Managed Cloud Services

5.C. Capital Budget Allocation to Strategies (Baseline)
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2024**
 TIME: **1:45:17PM**

Agency code: **356** Agency name: **Texas Ethics Commission**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027	
<u>GENERAL BUDGET</u>						
Capital	2-1-2	INFORMATION RESOURCES	247,000	0	\$247,000	\$0
		TOTAL, PROJECT	247,000	\$0	\$247,000	\$0
		TOTAL CAPITAL, ALL PROJECTS	\$1,004,390	\$607,390	\$694,890	\$447,890
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	\$1,004,390	\$607,390	\$694,890	\$447,890

5.D. Capital Budget Operating and Maintenance Expenses
 89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:17PM

Agency Code: **356** Agency name: **Texas Ethics Commission**
 Project Number: **1** Project name: **Vendor Support for Electronic Filing & Disclosure Database Systems**
Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2026	2027	2028	2029
OBJECTS OF EXPENSE:				
5000 CAPITAL EXPENDITURES	\$447,890	\$447,890	\$447,890	\$447,890
TOTAL, OBJECT OF EXPENSE	\$447,890	\$447,890	\$447,890	\$447,890
METHOD OF FINANCING:				
1 General Revenue Fund	\$447,890	\$447,890	\$447,890	\$447,890
TOTAL, METHOD OF FINANCING	\$447,890	\$447,890	\$447,890	\$447,890

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

The architecture of the electronic filing system is complex, consisting of more than 2.3 million lines of code that run in a virtualized Linux environment in the AWS public cloud. Maintenance and support activities include defect management, infrastructure upgrades, maintenance and security patching, system and security monitoring, system and network configuration, among other standard system administration tasks. The filing system is fully managed by the vendor with which the commission has contracted for maintenance and support.

5.D. Capital Budget Operating and Maintenance Expenses
 89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:17PM

Agency Code: **356** Agency name: **Texas Ethics Commission**
 Project Number: **2** Project name: **Case Management Software License Subscription**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2026	2027	2028	2029
OBJECTS OF EXPENSE:				
1001 SALARIES AND WAGES	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE	\$0	\$0	\$0	\$0
METHOD OF FINANCING:				
1 General Revenue Fund	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:	0.0	0.0	0.0	0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:				

The commission has removed this capital project going forward to comply with changes made to the minimum amount of funding to be considered a capital budget item under the GAA, Art IX Sec. 14.03.

5.D. Capital Budget Operating and Maintenance Expenses
 89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:17PM

Agency Code: **356** Agency name: **Texas Ethics Commission**
 Project Number: **3** Project name: **Enhancements to Electronic Filing System**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2026	2027	2028	2029
OBJECTS OF EXPENSE:				
5000 CAPITAL EXPENDITURES	\$137,500	\$137,500	\$137,500	\$137,500
TOTAL, OBJECT OF EXPENSE	\$137,500	\$137,500	\$137,500	\$137,500
METHOD OF FINANCING:				
1 General Revenue Fund	\$137,500	\$137,500	\$137,500	\$137,500
TOTAL, METHOD OF FINANCING	\$137,500	\$137,500	\$137,500	\$137,500

FULL TIME EQUIVALENT POSITIONS: 0.0 0.0 0.0 0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

The Commission provides a state-of-the art electronic filing system for statewide filers as required by Texas statute. This electronic filing system was put into production in 2015. Enhancements to the filing system source code are required when legislative changes, new Commission rules, and requests from agency staff and filers who use the filing applications alter the underlying business rules of the filing system. Enhancements to the Commission’s electronic filing system are not covered under the maintenance contract with the vendor but are billed as time and materials. The billing rate for FY2026 and FY2027 is \$150/hour, and this rate is expected to increase in future years. Ethics reform is typically a priority on legislative session agendas. New ethics related statutory changes are passed each session that require source code changes to the electronic filing system in order to satisfy the legal requirements of the new statutes. Due to the complex nature of the electronic filing system, the contracted software vendor must be employed to make enhancements to the source code, and these changes are billed hourly as time and materials. Enhancements to the electronic filing system will always be required due to legislative changes and Commission rule changes. Because the necessary code changes must be outsourced, the Commission needs to continually fund these enhancement hours on an annual basis.

5.D. Capital Budget Operating and Maintenance Expenses
 89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:17PM

Agency Code: **356** Agency name: **Texas Ethics Commission**
 Project Number: **4** Project name: **Improve Agency Website User Interface**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2026	2027	2028	2029
OBJECTS OF EXPENSE:				
1001 SALARIES AND WAGES	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE	\$0	\$0	\$0	\$0
METHOD OF FINANCING:				
1 General Revenue Fund	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$0	\$0	\$0	\$0

FULL TIME EQUIVALENT POSITIONS: 0.0 0.0 0.0 0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Several areas of the website have confusing user interfaces that could be improved. For example, it is not obvious to many of our callers how to view anything but the most recent report filed by an individual or committee. It is also difficult for at least some users to find certain information on our website, like, for example, the agency’s legal guides. Working with an outside vendor to improve the basic usability of our website will provide the best value to the state, given the TEC’s current diminished staffing levels and the high salaries required to recruit in-house programming expertise. The requested amount covers work by the vendor for enhancements to the electronic filing and disclosure database system in response to legislative changes and requests from filers. This includes any changes to the filing software or changes to campaign finance, lobby, or personal financial disclosure reports or Form 1295 certificates. The cost of vendor services for enhancements is not covered by the maintenance contract. Without the additional funding, changes to forms or the software in response to new laws or amendments to existing laws will not happen. This fiscal biennium, the enhancement hours were needed to move the TEC electronic filing system to the cloud, a necessary move to keep the system operational for which there was no additional funding. This took precedent over any other necessary enhancements, which now must be even more urgently done. Failure to authorize these enhancements will negatively impact Commission filers’ ability to comply with their statutory obligations.

5.D. Capital Budget Operating and Maintenance Expenses
 89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2024
 TIME: 1:45:17PM

Agency Code: **356** Agency name: **Texas Ethics Commission**
 Project Number: **5** Project name: **Managed Cloud Services for TEC Electronic Filing System**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2026	2027	2028	2029
OBJECTS OF EXPENSE:				
5000 CAPITAL EXPENDITURES	\$247,000	\$0	\$247,000	\$0
TOTAL, OBJECT OF EXPENSE	\$247,000	\$0	\$247,000	\$0
METHOD OF FINANCING:				
1 General Revenue Fund	\$247,000	\$0	\$247,000	\$0
TOTAL, METHOD OF FINANCING	\$247,000	\$0	\$247,000	\$0
FULL TIME EQUIVALENT POSITIONS:	0.0	0.0	0.0	0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:				

The commission's electronic filing system is used by approximately 9,000 statewide filers who annually file more than 33,000 campaign finance, lobby, and personal financial statements with the State of Texas, and approximately 37,000 active business and government entity filers who create and file more than 70,000 acknowledged Certificates of Interested Parties annually. Not only is the system required to be operational 24x7x365, very large reports require more CPU and memory resources for the filing and rendering processes. The filing system's AWS infrastructure is configured to allocate on-demand extensions for the short periods when extra compute resources are needed. In addition to using the AWS Web Application Firewall (WAF), several AWS cybersecurity programs are employed as safeguards for the system.

356 Texas Ethics Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
5005 Acquisition of Information Resource Technologies					
1 Vendor Support					
OOE					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	447,890	447,890	447,890	447,890
TOTAL, OOE's		\$447,890	\$447,890	447,890	447,890
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	447,890	447,890	447,890	447,890
TOTAL, GENERAL REVENUE FUNDS		\$447,890	\$447,890	447,890	447,890
TOTAL, MOF's		\$447,890	\$447,890	447,890	447,890

356 Texas Ethics Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
2 Case Management Software License					
OOE					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	22,000	22,000	0	0
TOTAL, OOE's		\$22,000	\$22,000	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	22,000	22,000	0	0
TOTAL, GENERAL REVENUE FUNDS		\$22,000	\$22,000	0	0
TOTAL, MOF's		\$22,000	\$22,000	0	0

356 Texas Ethics Commission

Category Code/Name		Est 2024	Bud 2025	BL 2026	BL 2027
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name				
3 Enhancements to E-Filing System					
OOE					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	137,500	137,500	0	0
TOTAL, OOE's		\$137,500	\$137,500	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	137,500	137,500	0	0
TOTAL, GENERAL REVENUE FUNDS		\$137,500	\$137,500	0	0
TOTAL, MOFs		\$137,500	\$137,500	0	0

356 Texas Ethics Commission

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
4 Website User Interface					
OOE					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	150,000	0	0	0
TOTAL, OOE's		\$150,000	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	150,000	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$150,000	\$0	0	0
TOTAL, MOFs		\$150,000	\$0	0	0

9500 Legacy Modernization

356 Texas Ethics Commission

Category Code/Name		Est 2024	Bud 2025	BL 2026	BL 2027
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
5 Managed Cloud Services					
OOE					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	247,000	0	247,000	0
TOTAL, OOE's		\$247,000	\$0	247,000	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
1	General Revenue Fund	247,000	0	247,000	0
TOTAL, GENERAL REVENUE FUNDS		\$247,000	\$0	247,000	0
TOTAL, MOF's		\$247,000	\$0	247,000	0

356 Texas Ethics Commission

		Est 2024	Bud 2025	BL 2026	BL 2027
CAPITAL					
<u>General Budget</u>					
GENERAL REVENUE FUNDS					
	TOTAL, GENERAL BUDGET	\$1,004,390	\$607,390	694,890	447,890
		1,004,390	607,390	694,890	447,890
	TOTAL, ALL PROJECTS	\$1,004,390	\$607,390	694,890	447,890

6.A. Historically Underutilized Business Supporting Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/27/2024**
 Time: **1:45:18PM**

Agency Code: **356** Agency: **Texas Ethics Commission**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2022			Total Expenditures FY 2022		HUB Expenditures FY 2023			Total Expenditures FY 2023	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2023		
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$3,480	\$3,480	23.7 %	2.5%	-21.2%	\$100	\$4,020	
26.0%	Other Services	26.0 %	67.0%	41.0%	\$495,489	\$739,718	26.0 %	87.9%	61.9%	\$668,360	\$760,110	
21.1%	Commodities	21.1 %	54.6%	33.5%	\$24,351	\$44,566	21.1 %	68.5%	47.4%	\$23,202	\$33,884	
	Total Expenditures		66.4%		\$523,320	\$787,764		86.7%		\$691,662	\$798,014	

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

Professional Services: TEC meets goal
 Other Services: TEC meets goal
 Commodities: TEC meets goal

Applicability:

Heavy Construction: N/A to TEC
 Building Construction: N/A to TEC
 Special Trade: N/A to TEC

Factors Affecting Attainment:

In both FY 2022 and FY 2023, 100% of the applicable goals were met. The goals for FY 2024-2025 will remain as those listed for FY 2023.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

The Texas Ethics Commission (TEC) has two employees in the Procurement Division (1) Director of Finance and Administration with a CTPM certification and 27.5 years experience in Purchasing and (1) Staff Services Officer/Purchaser with a CTCM certification and 5.0 years experience in Purchasing. Both employees are Hispanic females and are not service-disabled veterans.

HUB Program Staffing:

6.A. Historically Underutilized Business Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/27/2024**
Time: **1:45:18PM**

Agency Code: **356** Agency: **Texas Ethics Commission**

Even though TEC is not required to have a HUB Coordinator by Statute; Gov Code 2161.062 (e); TEC procurement employee(s) strive to show good faith efforts towards the HUB program. The Commission does not have a full time HUB Program or Coordinator, however the Staff Services Officer fills the duties of unofficial HUB Coordinator by ensuring she seeks quotes and does business with HUB vendors as applicable . Also, submits reports to ensure TEC meets the state mandated Texas Gov Codes §2161.121 & §2161.125.

Current and Future Good-Faith Efforts:

The Staff Services Officer plans to continue TEC's commitment to meet HUB goals by enhancing efforts to seek quotes and do business with HUB vendors for goods and services needed in FY2024 and FY2025 as applicable. TEC has maintained good past performance with HUBS, and Staff Services Officer has shown an increase in the diversity of HUB Vendor awards and plans to continue in this direction for the expenditures with HUBS in the Semi Annual and Annual HUB reports to meet state mandated 34 TAC 20.284, Texas Gov Codes §2161.121 & §2161.125 & §2161.126. Furthermore, Staff Services Officer plans to extend HUB goals for TEC with a commitment to establish at least one or more NEW HUB Vendor relationship (s) in fiscal year 2024 and in fiscal year 2025 to meet Government code under Section 2161.123; and will strive to attend more HUB meetings/activities.

**6.B. Current Biennium Onetime Expenditure Schedule
Summary of Onetime Expenditures**

Agency Code: 356	Agency Name: Texas Ethics Commission	Prepared By: Daniel Knapp	Date: 8/6/2024
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Projects	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
One-Time Funding for Agency Website Improvements	\$150,000 UB		\$0	\$0
Appropriation to Implement HB 3474	\$82,500	\$0	\$0	\$0
Total, All Projects	\$232,500	\$0	\$0	\$0

6.E. Estimated Revenue Collections Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **356** Agency name: **Texas Ethics Commission**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
<u>666</u> Appropriated Receipts					
Beginning Balance (Unencumbered):	\$9,663	\$103	\$0	\$0	\$0
Estimated Revenue:					
DEDUCTIONS:					
Expenditure for agency operations	(9,663)	(103)	0	0	0
 Total, Deductions	\$(9,663)	\$(103)	\$0	\$0	\$0
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Appropriated receipts revenue is comprised of the amounts charged to customers for providing copies of information (i.e., paper copies of reports filed with the agency or information from agency databases) maintained by the commission. The commission has no control over the the number, size, or amounts of copy orders that will be received. During the 86th Legislature, the commission requested to eliminate the contingency rider for FY 2020- 2021 and any future biennium and have the \$8,190 included within the baseline of strategy 1.1. (Disclosure Filings Division). This request was approved.

CONTACT PERSON:

Cristina Hernandez