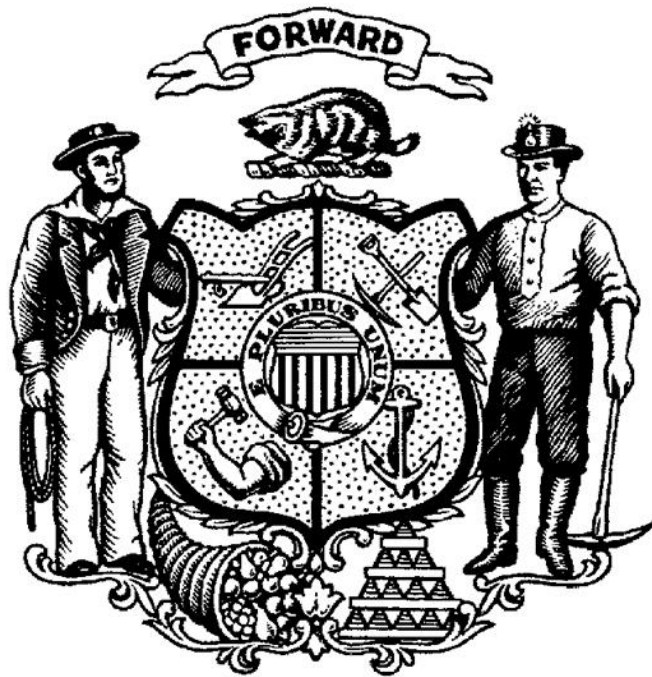


# State of Wisconsin

## Ethics Commission



Agency Budget Request

2023 – 2025 Biennium

September 15, 2022

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# Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics  
101 East Wilson Street | Suite 127 | P.O. Box 7125 | Madison, WI 53707-7125  
(608) 266-8123 | [ethics@wi.gov](mailto:ethics@wi.gov) | <https://ethics.wi.gov>

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September 15, 2022

Kathy Blumenfeld, Secretary  
Wisconsin Department of Administration  
101 E. Wilson St., 10<sup>th</sup> Floor  
Madison, WI 53703

Dear Secretary Blumenfeld,

On behalf of the Wisconsin Ethics Commission, I am pleased to submit the agency's biennial budget request for fiscal years 2023 – 25 for your review. The Commission's budget request complies with all provided instructions, including requirements of 2015 Wisconsin Act 201 and 2017 Wisconsin Act 212.

In preparing the Commission's biennial budget request, we completed a thorough review of the previous biennial budget, as well as the Commission's statutory responsibilities, in order to determine the resources required to operate and to promote and strengthen the faith and confidence of the people of Wisconsin in their government.

We are also taking a fresh look at all programs and practices in order to identify ways to become more effective, efficient, provide the highest quality of service possible while responsibly conserving available resources, and to utilize program revenue to advance our mission.

Thank you for your consideration of the Ethics Commission's biennial budget request. The Commission and its staff look forward to working with you and the State Budget Office throughout the budget process.

Sincerely,

Daniel A. Carlton, Jr.  
Commission Administrator  
Wisconsin Ethics Commission

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*Wisconsin Ethics Commissioners*

Shauntay Nelson | Pat Strachota | Maryann Sumi | Timothy Van Akkeren | David Wambach | Andrew Weininger

*Administrator*

Daniel A. Carlton, Jr.

## **AGENCY DESCRIPTION**

The commission is comprised of six members, who serve for five-year terms. One member is appointed by the Senate majority leader; one is appointed by the Senate minority leader; one is appointed by the speaker of the Assembly; one is appointed by the Assembly minority leader; and two are individuals who formerly served as judges for a court of record in this state, who were elected to the positions in which they served, and who are nominated by the Governor with the advice and consent of a majority of the members of the Senate. The transition plan from the Government Accountability Board to the commission put forth by the Department of Administration established a rotational term schedule of the commissioners. The commission elects a chair and vice-chair from its members by a majority vote.

The administrator serves as the agency head and is responsible for the daily operations of the commission. The commission staff is nonpartisan. The commission administers and enforces Wisconsin law pertaining to campaign finance, lobbying and ethics.

Commission activities are arranged by five general functions: general administration; assistance to state public officials, candidates, lobbyists, principals, political committees and officeholders; assistance to local governments; education and training; and enforcement. Within these functional areas, the commission develops policy, issues formal and informal opinions, promulgates administrative rules, prescribes procedures and forms, audits disclosure reports, carries out investigations, conducts hearings and reviews appeals, brings civil actions to assess forfeitures, and addresses other related activities.

## **MISSION**

The mission of the commission is to promote and strengthen the faith and confidence of the people of Wisconsin in their government; support the operation of open and responsible government; preserve the integrity of the governmental decision making process; and protect the rights of individuals through the administration of Wisconsin's campaign finance, lobbying and ethics laws and through readily available and understandable disclosure of information.

## **PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES**

### **Program 1: Ethics, Campaign Finance and Lobbying Regulation**

Goal: Facilitate compliance with the requirements of Wisconsin's campaign finance, lobbying and ethics laws.

Objective/Activity: Provide training, educational materials and assistance to the regulated community and the public, focusing on applicable registration and reporting requirements.

Objective/Activity: Conduct timely audits of registration and report information, consistent with statutory requirements.

Objective/Activity: Provide formal and informal advisory opinions, as well as informal guidance, in a timely manner upon request.

Goal: Support the operation of open and responsible government, preserve the integrity of governmental decision making and protect the rights of individuals.

Objective/Activity: Promptly make reported campaign finance, lobbying and financial disclosure information publicly available.

Objective/Activity: Maintain the Wisconsin Campaign Finance Information System (CFIS), Eye on Lobbying Web site and Statements of Economic Interests Web site in order to facilitate the registration and reporting requirements under applicable Wisconsin statutes, as well as making the disclosure of reported information readily accessible and understandable.

Objective/Activity: Investigate complaints of possible violations of the ethics code, lobbying law and campaign finance law and seek appropriate remedies as circumstances merit.

## PERFORMANCE MEASURES

### 2021 AND 2022 GOALS AND ACTUALS

| Prog. No. | Performance Measure   | Goal 2021 | Actual 2021 | Goal 2022 | Actual 2022 |
|-----------|---|-----------|-------------|-----------|-------------|
| 1.        | Percentage of fees received by electronic payment methods.  | 85%       | 86.79%      | 90%       | 94.8%       |
| 1.        | Percentage of campaign finance reports filed on or before required date.  | 96%       | 94%         | 96%       | 93.6%       |
| 1.        | Percentage of committees in compliance, based on audit findings.  | 95%       | 97.1%       | 95%       | 97.3%       |
| 1.        | Percentage of lobbyist time reports completed on or before the required date.   | 99%       | 99.9%       | 99%       | 99.71%      |
| 1.        | Percentage of registered principals completing their Statements of Lobbying Activities and Expenditures on or before the required date. | 99%       | 99.1%       | 99%       | 98.4%       |
| 1.        | Percentage of principals in compliance, based on audit findings.  | 99%       | 99.8%       | 99%       | ~99%*       |
| 1.        | Percentage of required Statements of Economic Interest filed on or before the required date.  | 96%       | 95%         | 96%       | 93.2%       |
| 1.        | Statements of Economic Interest filed electronically.   | 95%       | 96.9%       | 96%       | 97.1%       |

Note: Based on fiscal year.

\* Due to demands on Commission resources related to the creation of the new lobbying website and how information technology changes impacted the auditing processes, this performance objective cannot be accurately calculated consistent with prior methods. However, the Commission has sufficient information to conclude that the compliance rates have not changed significantly.

### 2023, 2024 AND 2025 GOALS

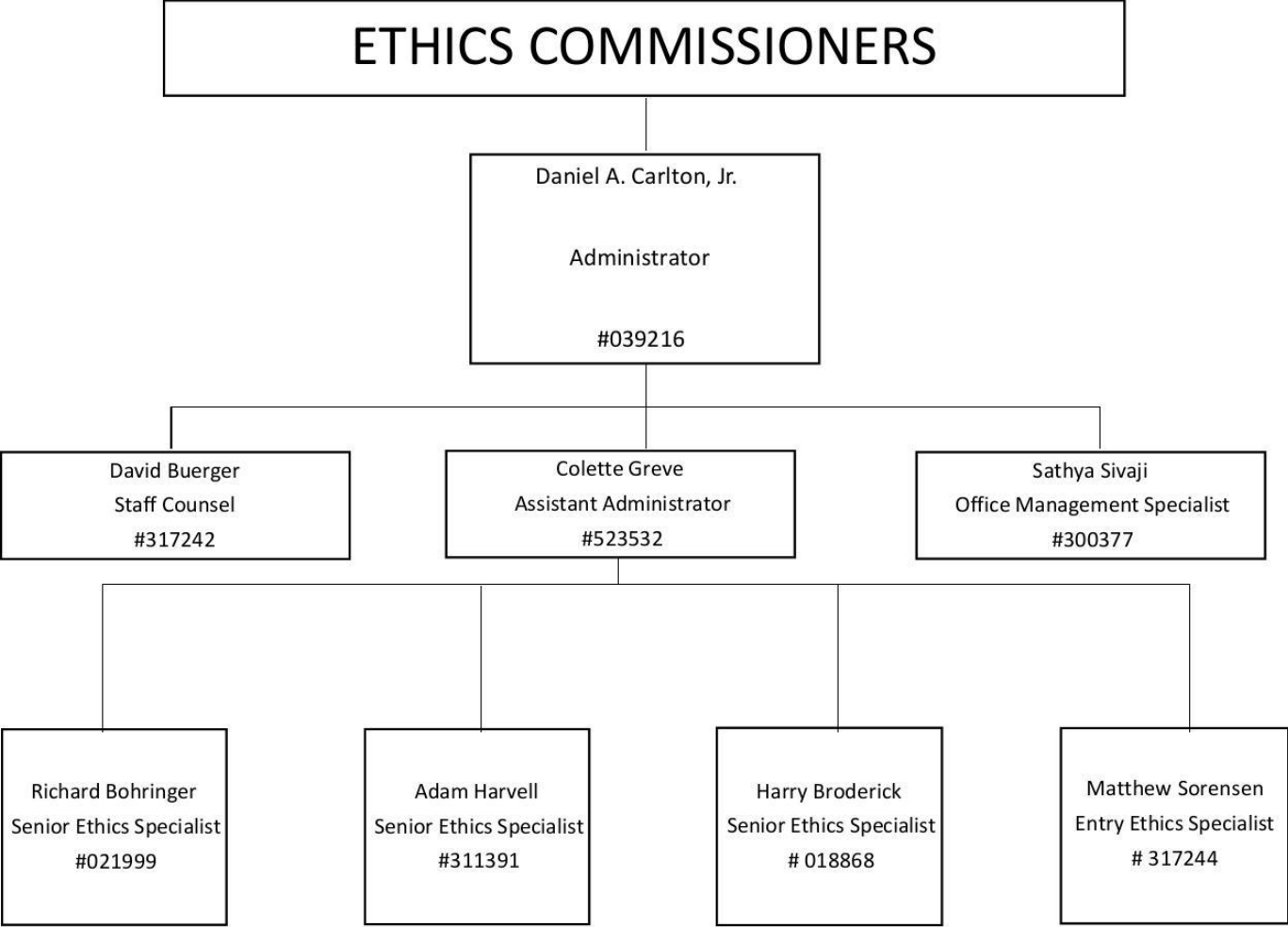
| Prog. No. | Performance Measure   | Goal 2023 | Goal 2024 | Goal 2025 |
|-----------|---|-----------|-----------|-----------|
| 1.        | Percentage of fees received by electronic payment methods.                    | 95%       | 95%       | 95%       |
| 1.        | Percentage of campaign finance reports filed on or before required date.      | 96%       | 96%       | 96%       |
| 1.        | Percentage of committees in compliance, based on audit findings.              | 95%       | 95%       | 95%       |
| 1.        | Percentage of lobbyist time reports completed on or before the required date. | 99%       | 99%       | 99%       |

| <b>Prog. No.</b> | <b>Performance Measure</b>  | <b>Goal 2023</b> | <b>Goal 2024</b> | <b>Goal 2025</b> |
|------------------|---|------------------|------------------|------------------|
| 1.               | Percentage of registered principals completing their Statements of Lobbying Activities and Expenditures on or before the required date. | 99%              | 99%              | 99%              |
| 1.               | Percentage of principals in compliance, based on audit findings.  | 99%              | 99%              | 99%              |
| 1.               | Percentage of required Statements of Economic Interest filed on or before the required date.  | 96%              | 96%              | 96%              |
| 1.               | Statements of Economic Interest filed electronically.   | 96%              | 96%              | 96%              |

Note: Based on fiscal year.



# WISCONSIN ETHICS COMMISSION ORGANIZATIONAL CHART



# Agency Total by Fund Source

Ethics Commission

2325 Biennial Budget

|                    |   | ANNUAL SUMMARY   |               |                |                |              |              | BIENNIAL SUMMARY        |                  |                   |                   |
|--------------------|---|------------------|---------------|----------------|----------------|--------------|--------------|-------------------------|------------------|-------------------|-------------------|
| Source of Funds    |   | Prior Year Total | Adjusted Base | 1st Year Total | 2nd Year Total | 1st Year FTE | 2nd Year FTE | Base Year Doubled (BYD) | Biennial Request | Change From (BYD) | Change From BYD % |
| GPR                | S | \$701,233        | \$1,013,700   | \$1,195,100    | \$1,195,100    | 4.70         | 4.70         | \$2,027,400             | \$2,390,200      | \$362,800         | 17.90%            |
| <b>Total</b>       |   | \$701,233        | \$1,013,700   | \$1,195,100    | \$1,195,100    | 4.70         | 4.70         | \$2,027,400             | \$2,390,200      | \$362,800         | 17.90%            |
| PR                 | S | \$449,158        | \$527,700     | \$635,000      | \$635,000      | 3.30         | 3.30         | \$1,055,400             | \$1,270,000      | \$214,600         | 20.30%            |
| <b>Total</b>       |   | \$449,158        | \$527,700     | \$635,000      | \$635,000      | 3.30         | 3.30         | \$1,055,400             | \$1,270,000      | \$214,600         | 20.30%            |
| <b>Grand Total</b> |   | \$1,150,391      | \$1,541,400   | \$1,830,100    | \$1,830,100    | 8.00         | 8.00         | \$3,082,800             | \$3,660,200      | \$577,400         | 18.70%            |

# Agency Total by Program

Ethics Commission

2325 Biennial Budget

|  |                  | ANNUAL SUMMARY     |                    |                    |                    |              | BIENNIAL SUMMARY        |                    |                    |                   |               |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------|-------------------------|--------------------|--------------------|-------------------|---------------|
| Source of Funds  | Prior Year Total | Adjusted Base      | 1st Year Total     | 2nd Year Total     | 1st Year FTE       | 2nd Year FTE | Base Year Doubled (BYD) | Biennial Request   | Change From (BYD)  | Change From BYD % |               |
| <b>01 Ethics, campaign finance and lobbying regulation</b> |                  |                    |                    |                    |                    |              |                         |                    |                    |                   |               |
| <b>Non Federal</b>   |                  |                    |                    |                    |                    |              |                         |                    |                    |                   |               |
| <b>GPR</b>   |                  | <b>\$701,233</b>   | <b>\$1,013,700</b> | <b>\$1,195,100</b> | <b>\$1,195,100</b> | <b>4.70</b>  | <b>4.70</b>             | <b>\$2,027,400</b> | <b>\$2,390,200</b> | <b>\$362,800</b>  | <b>17.89%</b> |
|  | S                | \$701,233          | \$1,013,700        | \$1,195,100        | \$1,195,100        | 4.70         | 4.70                    | \$2,027,400        | \$2,390,200        | \$362,800         | 17.89%        |
| <b>PR</b>  |                  | <b>\$449,158</b>   | <b>\$527,700</b>   | <b>\$635,000</b>   | <b>\$635,000</b>   | <b>3.30</b>  | <b>3.30</b>             | <b>\$1,055,400</b> | <b>\$1,270,000</b> | <b>\$214,600</b>  | <b>20.33%</b> |
|  | S                | \$449,158          | \$527,700          | \$635,000          | \$635,000          | 3.30         | 3.30                    | \$1,055,400        | \$1,270,000        | \$214,600         | 20.33%        |
| <b>Total - Non Federal</b>                                 |                  | <b>\$1,150,391</b> | <b>\$1,541,400</b> | <b>\$1,830,100</b> | <b>\$1,830,100</b> | <b>8.00</b>  | <b>8.00</b>             | <b>\$3,082,800</b> | <b>\$3,660,200</b> | <b>\$577,400</b>  | <b>18.73%</b> |
|  | S                | \$1,150,391        | \$1,541,400        | \$1,830,100        | \$1,830,100        | 8.00         | 8.00                    | \$3,082,800        | \$3,660,200        | \$577,400         | 18.73%        |
| <b>PGM 01 Total</b>  |                  | <b>\$1,150,391</b> | <b>\$1,541,400</b> | <b>\$1,830,100</b> | <b>\$1,830,100</b> | <b>8.00</b>  | <b>8.00</b>             | <b>\$3,082,800</b> | <b>\$3,660,200</b> | <b>\$577,400</b>  | <b>18.73%</b> |
| <b>GPR</b>   |                  | <b>\$701,233</b>   | <b>\$1,013,700</b> | <b>\$1,195,100</b> | <b>\$1,195,100</b> | <b>4.70</b>  | <b>4.70</b>             | <b>\$2,027,400</b> | <b>\$2,390,200</b> | <b>\$362,800</b>  | <b>17.89%</b> |
|  | S                | \$701,233          | \$1,013,700        | \$1,195,100        | \$1,195,100        | 4.70         | 4.70                    | \$2,027,400        | \$2,390,200        | \$362,800         | 17.89%        |
| <b>PR</b>  |                  | <b>\$449,158</b>   | <b>\$527,700</b>   | <b>\$635,000</b>   | <b>\$635,000</b>   | <b>3.30</b>  | <b>3.30</b>             | <b>\$1,055,400</b> | <b>\$1,270,000</b> | <b>\$214,600</b>  | <b>20.33%</b> |
|  | S                | \$449,158          | \$527,700          | \$635,000          | \$635,000          | 3.30         | 3.30                    | \$1,055,400        | \$1,270,000        | \$214,600         | 20.33%        |
| <b>TOTAL 01</b>  |                  | <b>\$1,150,391</b> | <b>\$1,541,400</b> | <b>\$1,830,100</b> | <b>\$1,830,100</b> | <b>8.00</b>  | <b>8.00</b>             | <b>\$3,082,800</b> | <b>\$3,660,200</b> | <b>\$577,400</b>  | <b>18.73%</b> |
|  | S                | \$1,150,391        | \$1,541,400        | \$1,830,100        | \$1,830,100        | 8.00         | 8.00                    | \$3,082,800        | \$3,660,200        | \$577,400         | 18.73%        |
| <b>AGENCY TOTAL</b>  |                  | <b>\$1,150,391</b> | <b>\$1,541,400</b> | <b>\$1,830,100</b> | <b>\$1,830,100</b> | <b>8.00</b>  | <b>8.00</b>             | <b>\$3,082,800</b> | <b>\$3,660,200</b> | <b>\$577,400</b>  | <b>18.73%</b> |

# Agency Total by Decision Item

Ethics Commission

2325 Biennial Budget

| Decision Item   | 1st Year Total     | 2nd Year Total     | 1st Year FTE | 2nd Year FTE |
|---|--------------------|--------------------|--------------|--------------|
| 2000 Adjusted Base Funding Level                                      | \$1,541,400        | \$1,541,400        | 8.00         | 8.00         |
| 3003 Full Funding of Continuing Position Salaries and Fringe Benefits | (\$4,600)          | (\$4,600)          | 0.00         | 0.00         |
| 4000 New Campaign Finance Information System                          | \$293,300          | \$293,300          | 0.00         | 0.00         |
| <b>TOTAL</b>  | <b>\$1,830,100</b> | <b>\$1,830,100</b> | <b>8.00</b>  | <b>8.00</b>  |

# Program Revenue

2325 Biennial Budget

|                       | CODES | TITLES   |
|-----------------------|-------|--|
| DEPARTMENT            | 521   | Ethics Commission                                |
| PROGRAM               | 01    | Ethics, campaign finance and lobbying regulation |
| SUBPROGRAM            |       |  |
| NUMERIC APPROPRIATION | 20    | General program operations; PR                   |

| Revenue and Expenditures                     | Prior Year Actuals | Base Year Estimate | 1st Year Estimate | 2nd Year Estimate |
|--|--------------------|--------------------|-------------------|-------------------|
| <b>Opening Balance</b>                       | <b>\$261,256</b>   | <b>\$269,956</b>   | <b>\$321,856</b>  | <b>\$210,156</b>  |
| CF Filing Fees                               | \$8,700            | \$30,000           | \$30,000          | \$30,000          |
| E-Pay Transfer from APPN: 123                | \$0                | \$21,900           | \$0               | \$0               |
| <b>Total Revenue</b>                         | <b>\$269,956</b>   | <b>\$321,856</b>   | <b>\$351,856</b>  | <b>\$240,156</b>  |
| <b>Expenditures</b>                          | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>        | <b>\$0</b>        |
| 2000 Adjusted Base Funding Level             | \$0                | \$0                | \$31,700          | \$31,700          |
| 4000 New Campaign Finance Information System | \$0                | \$0                | \$110,000         | \$110,000         |
| <b>Total Expenditures</b>                    | <b>\$0</b>         | <b>\$0</b>         | <b>\$141,700</b>  | <b>\$141,700</b>  |
| <b>Closing Balance</b>                       | <b>\$269,956</b>   | <b>\$321,856</b>   | <b>\$210,156</b>  | <b>\$98,456</b>   |

# Program Revenue

2325 Biennial Budget

|                       | CODES | TITLES   |
|-----------------------|-------|--|
| DEPARTMENT            | 521   | Ethics Commission                                |
| PROGRAM               | 01    | Ethics, campaign finance and lobbying regulation |
| SUBPROGRAM            |       |  |
| NUMERIC APPROPRIATION | 21    | Gifts and grants                                 |

| Revenue and Expenditures | Prior Year Actuals | Base Year Estimate | 1st Year Estimate | 2nd Year Estimate |
|--------------------------|--------------------|--------------------|-------------------|-------------------|
| Opening Balance          | \$17,616           | \$17,616           | \$17,616          | \$17,616          |
| Total Revenue            | \$17,616           | \$17,616           | \$17,616          | \$17,616          |
| Expenditures             | \$0                | \$0                | \$0               | \$0               |
| Total Expenditures       | \$0                | \$0                | \$0               | \$0               |
| Closing Balance          | \$17,616           | \$17,616           | \$17,616          | \$17,616          |

# Program Revenue

2325 Biennial Budget

|                       | CODES | TITLES   |
|-----------------------|-------|--|
| DEPARTMENT            | 521   | Ethics Commission                                |
| PROGRAM               | 01    | Ethics, campaign finance and lobbying regulation |
| SUBPROGRAM            |       |  |
| NUMERIC APPROPRIATION | 22    | Materials and services                           |

| Revenue and Expenditures | Prior Year Actuals | Base Year Estimate | 1st Year Estimate | 2nd Year Estimate |
|--------------------------|--------------------|--------------------|-------------------|-------------------|
| Opening Balance          | \$2,020            | \$2,020            | \$2,020           | \$2,020           |
| Total Revenue            | \$2,020            | \$2,020            | \$2,020           | \$2,020           |
| Expenditures             | \$0                | \$0                | \$0               | \$0               |
| Total Expenditures       | \$0                | \$0                | \$0               | \$0               |
| Closing Balance          | \$2,020            | \$2,020            | \$2,020           | \$2,020           |

# Program Revenue

2325 Biennial Budget

|                              | CODES | TITLES   |
|------------------------------|-------|--|
| <b>DEPARTMENT</b>            | 521   | Ethics Commission                                |
| <b>PROGRAM</b>               | 01    | Ethics, campaign finance and lobbying regulation |
| <b>SUBPROGRAM</b>            |       |  |
| <b>NUMERIC APPROPRIATION</b> | 23    | Lobbying admin; PR                               |

| Revenue and Expenditures  | Prior Year Actuals | Base Year Estimate | 1st Year Estimate  | 2nd Year Estimate  |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Opening Balance</b>  | <b>\$409,648</b>   | <b>\$71,578</b>    | <b>\$244,878</b>   | <b>(\$149,717)</b> |
| Lobbying License Fees   | \$111,088          | \$675,000          | \$110,000          | \$675,000          |
| E-Pay Transfer to APPN: 120   | \$0                | (\$21,900)         | \$0                | \$0                |
| <b>Total Revenue</b>  | <b>\$520,736</b>   | <b>\$724,678</b>   | <b>\$354,878</b>   | <b>\$525,283</b>   |
| <b>Expenditures</b>   | <b>\$449,158</b>   | <b>\$479,800</b>   | <b>\$0</b>         | <b>\$0</b>         |
| 2000 Adjusted Base Funding Level                                      | \$0                | \$0                | \$491,500          | \$491,500          |
| 3003 Full Funding of Continuing Position Salaries and Fringe Benefits | \$0                | \$0                | (\$2,700)          | (\$2,700)          |
| Compensation Reserve  | \$0                | \$0                | \$2,900            | \$8,800            |
| Wisconsin Retirement System   | \$0                | \$0                | \$37               | \$74               |
| Health Insurance Reserves   | \$0                | \$0                | \$1,448            | \$2,842            |
| 27th Pay Period Reserve (FY24 only)                                   | \$0                | \$0                | \$11,410           | \$0                |
| <b>Total Expenditures</b>   | <b>\$449,158</b>   | <b>\$479,800</b>   | <b>\$504,595</b>   | <b>\$500,516</b>   |
| <b>Closing Balance</b>  | <b>\$71,578</b>    | <b>\$244,878</b>   | <b>(\$149,717)</b> | <b>\$24,767</b>    |



**Decision Item (DIN) - 2000**

**Decision Item (DIN) Title - Adjusted Base Funding Level**

**NARRATIVE**

Adjusted Base Funding Level

# Decision Item by Line

2325 Biennial Budget

|                      |              |                             |
|----------------------|--------------|-----------------------------|
| <b>DEPARTMENT</b>    | <b>CODES</b> | <b>TITLES</b>               |
|                      | 521          | Ethics Commission           |
| <b>DECISION ITEM</b> | <b>CODES</b> | <b>TITLES</b>               |
|                      | 2000         | Adjusted Base Funding Level |

|           | <b>Expenditure Items</b>            | <b>1st Year Cost</b> | <b>2nd Year Cost</b> |
|-----------|-------------------------------------|----------------------|----------------------|
| 01        | Permanent Position Salaries         | \$613,800            | \$613,800            |
| 02        | Turnover                            | \$0                  | \$0                  |
| 03        | Project Position Salaries           | \$0                  | \$0                  |
| 04        | LTE/Misc. Salaries                  | \$3,800              | \$3,800              |
| 05        | Fringe Benefits                     | \$221,500            | \$221,500            |
| 06        | Supplies and Services               | \$700,700            | \$700,700            |
| 07        | Permanent Property                  | \$1,600              | \$1,600              |
| 08        | Unallotted Reserve                  | \$0                  | \$0                  |
| 09        | Aids to Individuals & Organizations | \$0                  | \$0                  |
| 10        | Local Assistance                    | \$0                  | \$0                  |
| 11        | One-time Financing                  | \$0                  | \$0                  |
| 12        | Debt service                        | \$0                  | \$0                  |
| 13        |                                     | \$0                  | \$0                  |
| 14        |                                     | \$0                  | \$0                  |
| 15        |                                     | \$0                  | \$0                  |
| 16        |                                     | \$0                  | \$0                  |
| <b>17</b> | <b>TOTAL</b>                        | <b>\$1,541,400</b>   | <b>\$1,541,400</b>   |
| 18        | Project Positions Authorized        | 0.00                 | 0.00                 |
| 19        | Classified Positions Authorized     | 6.00                 | 6.00                 |
| 20        | Unclassified Positions Authorized   | 2.00                 | 2.00                 |

# Decision Item by Numeric

2325 Biennial Budget

## Ethics Commission

| Program | Decision Item/Numeric   | 1st Year Total     | 2nd Year Total     | 1st Year FTE | 2nd Year FTE |
|---------|---|--------------------|--------------------|--------------|--------------|
|         | <b>2000 Adjusted Base Funding Level</b>                           |                    |                    |              |              |
| 01      | Ethics, campaign finance and lobbying regulation                  |                    |                    |              |              |
|         | 01 General program ops; GPR                                       | \$788,700          | \$788,700          | 4.70         | 4.70         |
|         | 05 Investigations   | \$225,000          | \$225,000          | 0.00         | 0.00         |
|         | 20 General program operations; PR                                 | \$31,700           | \$31,700           | 0.00         | 0.00         |
|         | 22 Materials and services   | \$4,500            | \$4,500            | 0.00         | 0.00         |
|         | 23 Lobbying admin; PR   | \$491,500          | \$491,500          | 3.30         | 3.30         |
|         | <b>Ethics, campaign finance and lobbying regulation Sub Total</b> | <b>\$1,541,400</b> | <b>\$1,541,400</b> | <b>8.00</b>  | <b>8.00</b>  |
|         | <b>Adjusted Base Funding Level Sub Total</b>                      | <b>\$1,541,400</b> | <b>\$1,541,400</b> | <b>8.00</b>  | <b>8.00</b>  |
|         |   |                    |                    |              |              |
|         | <b>Agency Total</b>   | <b>\$1,541,400</b> | <b>\$1,541,400</b> | <b>8.00</b>  | <b>8.00</b>  |

# Decision Item by Fund Source

2325 Biennial Budget

## Ethics Commission

| Decision Item/Source of Funds            |   | 1st Year Total     | 2nd Year Total     | 1st Year FTE | 2nd Year FTE |
|--|---|--------------------|--------------------|--------------|--------------|
| <b>2000 Adjusted Base Funding Level</b>  |   |                    |                    |              |              |
| GPR                                      | S | \$1,013,700        | \$1,013,700        | 4.70         | 4.70         |
| PR                                       | S | \$527,700          | \$527,700          | 3.30         | 3.30         |
| <b>Adjusted Base Funding Level Total</b> |   | <b>\$1,541,400</b> | <b>\$1,541,400</b> | <b>8.00</b>  | <b>8.00</b>  |
|  |   |                    |                    |              |              |
| <b>Agency Total</b>                      |   | <b>\$1,541,400</b> | <b>\$1,541,400</b> | <b>8.00</b>  | <b>8.00</b>  |

**Decision Item (DIN) - 3003**

**Decision Item (DIN) Title - Full Funding of Continuing Position Salaries and Fringe Benefits**

**NARRATIVE**

Standard Budget Adjustment - Full Funding of Continuing Position Salaries and Fringe Benefits

# Decision Item by Line

2325 Biennial Budget

|                      |              |  |
|----------------------|--------------|--|
| <b>DEPARTMENT</b>    | <b>CODES</b> | <b>TITLES</b>  |
|                      | 521          | Ethics Commission  |
| <b>DECISION ITEM</b> | <b>CODES</b> | <b>TITLES</b>  |
|                      | 3003         | Full Funding of Continuing Position Salaries and Fringe Benefits |

|           | <b>Expenditure Items</b>            | <b>1st Year Cost</b> | <b>2nd Year Cost</b> |
|-----------|-------------------------------------|----------------------|----------------------|
| 01        | Permanent Position Salaries         | (\$9,700)            | (\$9,700)            |
| 02        | Turnover                            | \$0                  | \$0                  |
| 03        | Project Position Salaries           | \$0                  | \$0                  |
| 04        | LTE/Misc. Salaries                  | \$0                  | \$0                  |
| 05        | Fringe Benefits                     | \$5,100              | \$5,100              |
| 06        | Supplies and Services               | \$0                  | \$0                  |
| 07        | Permanent Property                  | \$0                  | \$0                  |
| 08        | Unallotted Reserve                  | \$0                  | \$0                  |
| 09        | Aids to Individuals & Organizations | \$0                  | \$0                  |
| 10        | Local Assistance                    | \$0                  | \$0                  |
| 11        | One-time Financing                  | \$0                  | \$0                  |
| 12        | Debt service                        | \$0                  | \$0                  |
| 13        |                                     | \$0                  | \$0                  |
| 14        |                                     | \$0                  | \$0                  |
| 15        |                                     | \$0                  | \$0                  |
| 16        |                                     | \$0                  | \$0                  |
| <b>17</b> | <b>TOTAL</b>                        | <b>(\$4,600)</b>     | <b>(\$4,600)</b>     |
| 18        | Project Positions Authorized        | 0.00                 | 0.00                 |
| 19        | Classified Positions Authorized     | 0.00                 | 0.00                 |
| 20        | Unclassified Positions Authorized   | 0.00                 | 0.00                 |

# Decision Item by Numeric

2325 Biennial Budget

## Ethics Commission

| Program | Decision Item/Numeric   | 1st Year Total   | 2nd Year Total   | 1st Year FTE | 2nd Year FTE |
|---------|---|------------------|------------------|--------------|--------------|
|         | <b>3003 Full Funding of Continuing Position Salaries and Fringe Benefits</b>      |                  |                  |              |              |
| 01      | Ethics, campaign finance and lobbying regulation                                  |                  |                  |              |              |
|         | 01 General program ops; GPR   | (\$1,900)        | (\$1,900)        | 0.00         | 0.00         |
|         | 23 Lobbying admin; PR   | (\$2,700)        | (\$2,700)        | 0.00         | 0.00         |
|         | <b>Ethics, campaign finance and lobbying regulation Sub Total</b>                 | <b>(\$4,600)</b> | <b>(\$4,600)</b> | <b>0.00</b>  | <b>0.00</b>  |
|         | <b>Full Funding of Continuing Position Salaries and Fringe Benefits Sub Total</b> | <b>(\$4,600)</b> | <b>(\$4,600)</b> | <b>0.00</b>  | <b>0.00</b>  |
|         |   |                  |                  |              |              |
|         | <b>Agency Total</b>   | <b>(\$4,600)</b> | <b>(\$4,600)</b> | <b>0.00</b>  | <b>0.00</b>  |

# Decision Item by Fund Source

2325 Biennial Budget

## Ethics Commission

| Decision Item/Source of Funds   |   | 1st Year Total   | 2nd Year Total   | 1st Year FTE | 2nd Year FTE |
|---|---|------------------|------------------|--------------|--------------|
| <b>3003 Full Funding of Continuing Position Salaries and Fringe Benefits</b>  |   |                  |                  |              |              |
| GPR   | S | (\$1,900)        | (\$1,900)        | 0.00         | 0.00         |
| PR  | S | (\$2,700)        | (\$2,700)        | 0.00         | 0.00         |
| <b>Full Funding of Continuing Position Salaries and Fringe Benefits Total</b> |   | <b>(\$4,600)</b> | <b>(\$4,600)</b> | <b>0.00</b>  | <b>0.00</b>  |
|   |   |                  |                  |              |              |
| <b>Agency Total</b>   |   | <b>(\$4,600)</b> | <b>(\$4,600)</b> | <b>0.00</b>  | <b>0.00</b>  |



**Decision Item (DIN) - 4000**

**Decision Item (DIN) Title - New Campaign Finance Information System**

**NARRATIVE**

Narrative explanation of the decision item is on the next page

The Wisconsin Ethics Commission is requesting additional supplies and services funds to hire two Information Technology contractors (“IT Contractors”). These contractors would be utilized to create a new campaign finance reporting website to replace the current Campaign Finance Information System (“CFIS”). As will be explained below, the proposed funding would be a split between additional GPR funding and additional expenditure authority for PR.

## **I. Background**

Since it was created, the Commission’s priority has been to update and upgrade both the lobbying website and CFIS. These two websites were created nearly a decade ago. The Commission recently completed most of its work on the new lobbying website and is now prepared to turn its attention to the new campaign finance website. Wisconsin’s current campaign finance website is hosted by a third-party vendor. The agreement was entered into by the Commission’s predecessor. The predecessor intended to own full rights to the website, database, and the code for the system. However, somewhere during the process, those provisions were not included in the contract. Instead, the Commission’s predecessor received a license and corresponding maintenance and support contract. The CFIS website was built and launched in 2008. It has been maintained by a support contract with the vendor ever since. The vendor now has a new campaign finance website product available. The vendor has expressed its desire to end the current maintenance contract in favor of selling the Commission a new website and maintenance contract. It does not appear that this is a sole-source product. However, there are few other reputable sources of campaign finance websites.

Currently, the Commission is paying approximately \$50,000 per year to the vendor to maintain the website. If any changes are required, they would likely result in an additional cost. The Commission has preliminarily discussed the costs of a new website and maintenance contract with the vendor. Informally, the Commission’s staff was advised that the cost for the new website would be approximately \$500,000. It would also require an annual maintenance contract of approximately \$100,000 per year. Going through an RFP process would likely yield a similar result, with a potentially lesser quality product.

The Commission has considered other options to get the new website. First, the Commission considered another partnership with the University of Wisconsin’s DoIT program (“DoIT”). The Commission had a great deal of success working with DoIT on the new lobbying website. However, the Commission is concerned that a project of this size might absorb too much of DoIT’s bandwidth considering its responsibilities to the University. This could lead to delays. Ideally, the new website would be launched well before the start of the 2024 election cycle, when reporting activity is at its lowest. If faced with a delay into the election cycle, the Commission would not be comfortable launching a new website at that time. There would be significant challenges in getting users trained during that time. It also could potentially cause reporting errors that result in inadvertent violations of campaign finance law.

Second, the Commission was able to obtain, at no cost, the code for another state’s campaign finance website. The hope was that this product could easily be changed to fit our needs with our existing resources. However, upon a full review of the code, it was determined that this would not be possible in a timely manner. The Commission only has one IT contractor. This contractor created and maintains the SEI filing website, was part of the team that created the new lobbying website, currently maintains the new lobbying website, and is responsible for several other IT related duties for the Commission. Given the complexity of the campaign finance laws, it would not be possible for the contractor to timely create a version that would be ready to launch prior to the next election cycle without assistance. Further, the IT contractor estimates that it would take the same amount of time to modify the other state’s system for our business needs as it would to create a new website from scratch.

Finally, the Commission has considered starting from scratch and creating the entire new campaign finance reporting system website in-house. The Commission has determined that this is the best approach for several reasons. First, the Commission would own the website. The Commission would be able to make any changes without going through a vendor or other third party. Second, it eliminates two potential additional costs, i.e.- the maintenance contract and other changes that are not covered by the maintenance contract. There would be no ongoing maintenance contract. Finally, it would represent a long-term cost

savings. The Commission believes that it can timely complete the project if it is allowed to hire two developers for the biennium. The maximum cost to retain the two developers would be approximately \$650,000. If the Commission went with a vendor, it would have the website cost and two years of maintenance cost for the biennium. This is an estimated cost of \$700,000 for the biennium if everything went well. However, the cost savings for not having a maintenance contract would extend for the life of the website. Over the course of the life of the website (estimated to be about 5 years), it could save anywhere between \$250,000 to \$500,000.

The Commission is also exploring the idea of purchasing CFIS from the vendor and proceeding from there. While it would be an additional initial cost, it could represent a significant cost savings since we would be doing less data conversion and much of the currently needed business logic is present in the system.

## **II. FUNDING**

Due to the Commission's small size, it does not have sufficient resources to fund the project without any additional appropriations. The Commission's primary costs are staff and services. If anything, the Commission needs additional staff, not cutting staff. It cannot be funded from other resources without significant negative impact on the Commission's ability to carry out its core mission.

The maximum anticipated cost of this request is \$325,000 per year of the biennium for a total of approximately \$650,000. The bulk of this project will have to come from additional supplies and services GPR appropriations. However, the Commission has reserved some campaign finance program revenue since its inception. The Commission is willing to offset a significant portion of this additional cost if it is given additional expenditure authority in its campaign finance program revenue supplies and services appropriations. The amount of this offset will depend on collections in January 2023.

## **III. JUSTIFICATION FOR THE REQUEST**

The Commission is required by law to maintain an online campaign finance reporting system that displays all contributions and disbursements to the public to promote transparency in campaign financing. If the current maintenance contract with the vendor ends, it is not clear how the Commission would provide the required website. Further, as noted above, the website is so old that it does not appear that ongoing maintenance would be a good use of the public's tax dollars. An updated system is essential to the Commission's core mission. More importantly, it is essential to registrants that are required to report their contributions and disbursements. Finally, and most importantly, it will provide the public a better, more transparent website to stay informed of those who influence elections through readily available and understandable disclosure of the money raised and how it's spent.

# Decision Item by Line

2325 Biennial Budget

|                      |              |   |
|----------------------|--------------|---|
| <b>DEPARTMENT</b>    | <b>CODES</b> | <b>TITLES</b>                           |
|                      | 521          | Ethics Commission                       |
| <b>DECISION ITEM</b> | <b>CODES</b> | <b>TITLES</b>                           |
|                      | 4000         | New Campaign Finance Information System |

|           | <b>Expenditure Items</b>            | <b>1st Year Cost</b> | <b>2nd Year Cost</b> |
|-----------|-------------------------------------|----------------------|----------------------|
| 01        | Permanent Position Salaries         | \$0                  | \$0                  |
| 02        | Turnover                            | \$0                  | \$0                  |
| 03        | Project Position Salaries           | \$0                  | \$0                  |
| 04        | LTE/Misc. Salaries                  | \$0                  | \$0                  |
| 05        | Fringe Benefits                     | \$0                  | \$0                  |
| 06        | Supplies and Services               | \$0                  | \$0                  |
| 07        | Permanent Property                  | \$0                  | \$0                  |
| 08        | Unallotted Reserve                  | \$0                  | \$0                  |
| 09        | Aids to Individuals & Organizations | \$0                  | \$0                  |
| 10        | Local Assistance                    | \$0                  | \$0                  |
| 11        | One-time Financing                  | \$293,300            | \$293,300            |
| 12        | Debt service                        | \$0                  | \$0                  |
| 13        |                                     | \$0                  | \$0                  |
| 14        |                                     | \$0                  | \$0                  |
| 15        |                                     | \$0                  | \$0                  |
| 16        |                                     | \$0                  | \$0                  |
| <b>17</b> | <b>TOTAL</b>                        | <b>\$293,300</b>     | <b>\$293,300</b>     |
| 18        | Project Positions Authorized        | 0.00                 | 0.00                 |
| 19        | Classified Positions Authorized     | 0.00                 | 0.00                 |
| 20        | Unclassified Positions Authorized   | 0.00                 | 0.00                 |

# Decision Item by Numeric

2325 Biennial Budget

## Ethics Commission

| Program | Decision Item/Numeric   | 1st Year Total   | 2nd Year Total   | 1st Year FTE | 2nd Year FTE |
|---------|---|------------------|------------------|--------------|--------------|
|         | <b>4000 New Campaign Finance Information System</b>               |                  |                  |              |              |
| 01      | Ethics, campaign finance and lobbying regulation                  |                  |                  |              |              |
|         | 01 General program ops; GPR                                       | \$183,300        | \$183,300        | 0.00         | 0.00         |
|         | 20 General program operations; PR                                 | \$110,000        | \$110,000        | 0.00         | 0.00         |
|         | <b>Ethics, campaign finance and lobbying regulation Sub Total</b> | <b>\$293,300</b> | <b>\$293,300</b> | <b>0.00</b>  | <b>0.00</b>  |
|         | <b>New Campaign Finance Information System Sub Total</b>          | <b>\$293,300</b> | <b>\$293,300</b> | <b>0.00</b>  | <b>0.00</b>  |
|         |   |                  |                  |              |              |
|         | <b>Agency Total</b>   | <b>\$293,300</b> | <b>\$293,300</b> | <b>0.00</b>  | <b>0.00</b>  |

# Decision Item by Fund Source

2325 Biennial Budget

## Ethics Commission

| Decision Item/Source of Funds                        |   | 1st Year Total   | 2nd Year Total   | 1st Year FTE | 2nd Year FTE |
|--|---|------------------|------------------|--------------|--------------|
| <b>4000 New Campaign Finance Information System</b>  |   |                  |                  |              |              |
| GPR  | S | \$183,300        | \$183,300        | 0.00         | 0.00         |
| PR   | S | \$110,000        | \$110,000        | 0.00         | 0.00         |
| <b>New Campaign Finance Information System Total</b> |   | <b>\$293,300</b> | <b>\$293,300</b> | <b>0.00</b>  | <b>0.00</b>  |
|  |   |                  |                  |              |              |
| <b>Agency Total</b>                                  |   | <b>\$293,300</b> | <b>\$293,300</b> | <b>0.00</b>  | <b>0.00</b>  |

## ACT 201

Proposal under s. 16.42(4)(b)2.: 0% change in each fiscal year

FY: **FY24 & FY25**

Agency: **ETHICS - 521**

Exclusions: Federal  
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

**Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.**

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE "FY24" TO "FY24 AND 25".**

| Agency        | Appropriation |         | Fund Source | Adjusted Base    |             | (See Note 1)<br>0% Change Target | Proposed Budget 2023-24 |              | Item Ref. | Change from Adj Base |             | (See Note 2)<br>Remove SBAs |             | Change from Adjusted Base after Removal of SBAs |             |
|---------------|---------------|---------|-------------|------------------|-------------|----------------------------------|-------------------------|--------------|-----------|----------------------|-------------|-----------------------------|-------------|---|-------------|
|               | Alpha         | Numeric |             | \$               | FTE         |                                  | Proposed \$             | Proposed FTE |           | \$                   | FTE         | \$                          | FTE         | \$  | FTE         |
| 521           | 1a            | 101     | GPR         | \$788,700.00     | 4.70        | 0                                | \$786,800.00            | 4.70         | 1         | (1,900)              | 0.00        | 1,900                       | 0.00        | 0   | 0.00        |
| 521           | 1be           | 105     | GPR         | \$225,000.00     | 0.00        | 0                                | \$225,000.00            | 0.00         |           | 0                    | 0.00        | 0                           | 0.00        | 0   | 0.00        |
| 521           | 1g            | 120     | PR          | \$31,700.00      | 0.00        | 0                                | \$31,700.00             | 0.00         |           | 0                    | 0.00        | 0                           | 0.00        | 0   | 0.00        |
| 521           | 1i            | 122     | PR          | \$4,500.00       | 0.00        | 0                                | \$4,500.00              | 0.00         |           | 0                    | 0.00        | 0                           | 0.00        | 0   | 0.00        |
| 521           | 1im           | 123     | PR          | \$491,500.00     | 3.30        | 0                                | \$488,800.00            | 3.30         |           | (2,700)              | 0.00        | 2,700                       | 0.00        | 0   | 0.00        |
| <b>Totals</b> |               |         |             | <b>1,541,400</b> | <b>8.00</b> | <b>0</b>                         | <b>1,536,800</b>        | <b>8.00</b>  |           | <b>(4,600)</b>       | <b>0.00</b> | <b>4,600</b>                | <b>0.00</b> | <b>0</b>  | <b>0.00</b> |

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- The proposed budget does not include the standard budget adjustments. Further without the DIN 4000, the commission may not be able to maintain and operate the statutorily-required Campaign Finance Information System. The public would be potentially deprived of transparent disclosure of lobbying activities, political contributions, and political spending.

## ACT 201

Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY24 & FY25**

Agency: **ETHICS - 521**

Exclusions: Federal  
Debt Service

Columns A-G were repopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

**Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.**

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE "FY24" TO "FY24 AND 25".**

| Agency        | Appropriation |         | Fund Source | Adjusted Base    |             | (See Note 1)        | Proposed Budget 2023-24 |              | Item Ref. | Change from Adj Base |             | (See Note 2) |             | Change from Adjusted Base after Removal of SBAs |             |
|---------------|---------------|---------|-------------|------------------|-------------|---------------------|-------------------------|--------------|-----------|----------------------|-------------|--------------|-------------|---|-------------|
|               | Alpha         | Numeric |             | \$               | FTE         | 5% Reduction Target | Proposed \$             | Proposed FTE |           | \$                   | FTE         | Remove SBAs  | FTE         | \$  | FTE         |
| <b>521</b>    | <b>1a</b>     | 101     | GPR         | \$788,700.00     | 4.70        | (39,400)            | 788,700                 | 4.70         |           | 0                    | 0.00        | 1,900        | 0.00        | 1,900   | 0.00        |
| <b>521</b>    | <b>1be</b>    | 105     | GPR         | \$225,000.00     | 0.00        | (11,300)            | 195,000                 | 0.00         | 1         | (30,000)             | 0.00        | 0            | 0.00        | (30,000)  | 0.00        |
| <b>521</b>    | <b>1g</b>     | 120     | PR          | \$31,700.00      | 0.00        | (1,600)             | 31,700                  | 0.00         |           | 0                    | 0.00        | 0            | 0.00        | 0   | 0.00        |
| <b>521</b>    | <b>1i</b>     | 122     | PR          | \$4,500.00       | 0.00        | (200)               | 2,000                   | 0.00         | 2         | (2,500)              | 0.00        | 0            | 0.00        | (2,500)   | 0.00        |
| <b>521</b>    | <b>1im</b>    | 123     | PR          | \$491,500.00     | 3.30        | (24,600)            | 442,300                 | 3.30         | 3         | (49,200)             | 0.00        | 2,700        | 0.00        | (46,500)  | 0.00        |
| <b>Totals</b> |               |         |             | <b>1,541,400</b> | <b>8.00</b> | <b>(77,100)</b>     | <b>1,459,700</b>        | <b>8.00</b>  |           | <b>(81,700)</b>      | <b>0.00</b> | <b>4,600</b> | <b>0.00</b> | <b>(77,100)</b>                                 | <b>0.00</b> |

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = (77,100)

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- 1 Reduces Supplies & Services by \$30,000; this reduction may inhibit the ability for the Commission Staff and/or outside Counsel to conduct investigations as authorized by the Commissioners.
- 2 Reduces Supplies & Services by \$2,500; reduction in spending authority may inhibit the ability of the Commission to cover all costs associated with records requests with program revenue, which would negatively impact GPR appropriations.
- 3 The proposed budget reduces the adjusted base and does not include the standard budget adjustments. This change will impact the Commission negatively by limiting the agency's ability to maintain statutorily required programs and websites. Further without the DIN 4000, the commission may not be able to maintain and operate the statutorily-required Campaign Finance Information System. The public would be potentially deprived of transparent disclosure of lobbying activities, political contributions, and political spending.