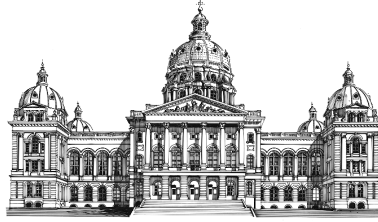

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State Capitol
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Ethics and Campaign Disclosure Board

ISSUE

This *Issue Review* provides an overview of the Ethics and Campaign Disclosure Board.

AFFECTED AGENCIES

Ethics and Campaign Disclosure Board
Executive Branch Agencies
Local Government Agencies

CODE AUTHORITY

Chapters 68A and 68B, Code of Iowa
351, Iowa Administrative Code, Chapter 1

BACKGROUND

The Iowa Campaign Finance Disclosure Commission was established in 1973 by the General Assembly in SF 583 (Campaign Disclosure Act). The Act created a five-member Commission, appointed by the Governor, to approve the forms developed by the State Commissioner of Elections, review reports and statements filed by candidates, hold hearings regarding grievances filed, and report violations to the Attorney General and county attorneys in the case of county, city, or school election violations.

The early years of the Commission were used to educate the public regarding what information candidates for office and political committees were required to file and where. County auditors and commissioners of election were part of the educational process. In 1982, civil penalty authority was enacted by the General Assembly and fines were assessed to candidates for late filings.

In 1993, the Commission's name was changed to the Iowa Ethics and Campaign Disclosure Board, and another member was added to the Board. Board members are appointed by the Governor for a six-year term on a two-year cycle and confirmed by the Senate. The current Board and staff are shown in **Attachment A**.

The Board concentrated on conflict of interest and gift law statutes during 1990 and 1993. Ethics responsibilities relating to Executive Branch agencies were added to the Board's responsibilities, including Executive Branch lobbyists and personal financial disclosure reports. An independent in-house legal counsel was also added to the Board at that time. The Board also reviews the agency's budget and legislative proposals prepared for the annual Legislative Session.

CURRENT SITUATION

The current responsibilities of the Board include:

- Administering campaign laws pursuant to Chapter 68A, Code of Iowa, as applied to candidates for State and local office and State and local ballot issues.
- Receiving copies of federal campaign finance disclosure reports by maintaining a link between the Board's web site and the Federal Election Commission's web site where the federal reports are posted.
- Administering the ethics laws in Chapter 68B, Code of Iowa, as applied to candidates for statewide office and officials and employees of the Executive Branch.
- Providing advice to local government personnel concerning the application of the ethics laws, but not investigating complaints or imposing sanctions against such personnel. The complaints are referred to the county attorney where the accused resides. Board advice, if followed, constitutes a defense to a complaint.
- Administering lobbying laws as applied to persons who lobby the Executive Branch.
- Receiving reports on all gifts, bequests, and grants received by an Executive Branch agency in excess of \$1,000 other than a Regents University pursuant to Section 8.7, Code of Iowa. The Board files a summary report with the Legislative Services Agency by January 31 each year. This report can be found on the web site at: <http://www.state.ia.us/ethics/ethics/gifts.htm>. Agency reports filed with the Board can be found on the web site at: http://www.state.ia.us/government/iecdb/ethics/gifts/gifts_2005.htm.

The Board has proposed several pieces of legislation to update the Code of Iowa relating to current Board policies and practices. The changes relate to campaign disclosure, voluntary electronic report filings, and conduct of Executive Branch staff and lobbyists.

The Government Oversight Committee also initiated several legislative proposals relating to the Board through presentations by Board staff and from topics discussed during Committee meetings. These included the requirement for an annual report of gifts, bequests, and grants received by Executive Branch agencies, and changes to Chapter 23A, Code of Iowa, allowing the Board to receive complaints regarding alleged violations of competition between private and public entities.

The Board will propose further legislation relating to reduction of paper submissions of campaign and lobbyists reports, clarifying current policies regarding due dates for receipt of reports, issues with campaign finances and Executive Branch ethics, and disclosure of IRS 527 groups. The purpose of Section 527 groups is to engage in political activities. Under Section 527 of the Internal Revenue Code, as modified in June of 2000 and November 2002, certain political groups must periodically file public disclosure reports with the IRS, rather than the Federal Election Commission.

The federal statute requires these organizations to report their contributions and disbursements so that their support and operations are in the public domain in advance of elections.

The Board authorized the issuance of a Request for Proposal (RFP) for an informal competitive solicitation to increase the number of required reports to be filed electronically with the Board, including independent expenditure statements; Governor's Office and regulatory agency consents for sales/leases; dual Executive Branch compensation reports; and agency gift, bequest, and grant reports. The Board announced its notice to award a contract on August 15, and the contract was signed on October 2, by Quality Consulting Services (QCI) of Clive, Iowa. The work required in the contract includes:

- Rewrite existing campaign finance electronic filing system to make the system more user friendly for the public and Board staff.
- Rewrite existing Executive Branch lobbyist/client electronic filing system to make the system more user friendly.
- Create a new electronic filing system for the filing of Executive Branch personal financial disclosure forms.
- One year of hosting/maintenance fees for the three electronic systems.

The contract will cost \$36,800 for one year for the application development, with renewal options that would include only ongoing monthly hosting/maintenance fees at the cost of an additional \$800 per month. The contract is intended to reduce the Board's reliance on the Information Technology Enterprise (ITE) in the Department of Administrative Services.

BUDGET IMPACT

In FY 2007, the Board received a one-time non-General Fund appropriation of \$39,100 from the Technology Reinvestment Fund. The funds are earmarked for the Board's electronic filing systems and will be used toward the new contract with QCI. For FY 2008, the Board is requesting a \$5,000 General Fund appropriation increase to allow other required reports to be filed electronically with the Board. The Board is also reflecting a cost reduction of \$20,500 in FY 2008 for reimbursement to ITE due primarily to the change in focus established by the new contract with QCI.

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IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD
FY-06 ORGANIZATIONAL STRUCTURE

