



STATE ETHICS COMMISSION

FY25 Budget Request

Legislative Finance Committee, Subcommittee B

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1. What the State Ethics Commission does:

- Investigates and adjudicates administrative complaints alleging violations of New Mexico's governmental conduct, procurement and disclosure laws.
- Files and litigates civil lawsuits to enforce New Mexico's governmental conduct, procurement and disclosure laws.
- Issues advisory opinions, promulgates a model code of ethics and provides trainings.
- Investigates and adjudicates administrative complaints alleging violations by notaries public under the Revised Uniform Law on Notarial Acts.

2. Recent Commission achievements and during FY23:

- **Enforcement and compliance**
 - Following the Commission's authorization of a lawsuit, reached settlement with Governor Lujan Grisham and HSD, requiring HSD to rescind the cancellation of the RFP for MCO contractors for Turquoise Care and to award contracts to offerors that HSD had selected.
 - Following lawsuit, reached settlements with Working Families Organization to enforce the Campaign Reporting Act's disclosure provisions.
 - Following litigation, reached settlement with former county commercial assessor and his private tax-consultant employer to enforce the Governmental Conduct Act's revolving-door provisions.
 - Entered into several pre-litigation settlements with state and county employees to enforce compliance with the Governmental Conduct Act.
- **Administrative dockets.** Adjudicated 47 administrative ethics complaints in FY23 (14 cases remain pending, either in pre-hearing motions practice or investigation) and, so far in FY24, received 22 additional ethics complaints. Adjudicated 16 administrative complaints filed against notaries during 2022.
- **Advisory opinions.** Issued 8 advisory opinions (available on www.NMOneSource.com) and 34 advisory letters in FY23. Provided over 20 continuing legal education and ethics trainings to audiences around New Mexico.

- **Unmodified opinion.** All released auditor’s opinions have been unmodified.

3. The Commission requests a FY25 general fund appropriation of \$1,676,400:

- The Commission currently needs an additional classified service employee.
- The Commission seeks: (i) budget increases in the 200s for one additional, classified service employee, an Attorney I; (ii) a small increase in the 300s because of audit contract increases; and (iii) a small increase in the 400s for inflation-based costs increases, UNM lease increases, and costs associated with new employees.
- The requested FY25 appropriation would provide funding for **10 FTE**, allowing the Commission to fully fund the personnel on its organizational listing and to hire an Attorney I directly out of law school.
- The Commission also seeks a small § 4 appropriation of \$5,000 in other state funds to budget for revenue received from NM EDGE (NMSU Cooperative Extension Service) for providing ethics and procurement training to EDGE participants.

4. Considerations supporting the Commission’s FY25 request:

- The Commission has ***no staff vacancies*** and ***requires an additional classified employee*** to create a pipeline for internal career advancement and to minimally satisfy the agency’s constitutional and statutory duties.
- For the past four years, the Commission has conducted a successful summer internship program for law students. The Commission needs an Attorney I position to be able to recruit from its summer internship program.
- As part of its core functions, the Commission handles intensive civil litigation and manages two separate administrative case dockets: one for ethics cases, the other for notary-public cases.
 - Respondents in Commission administrative cases are entitled to state-funded attorneys. Since the Commission’s inception, RMD has already paid hundreds of thousands to contract counsel to defend respondents and, in only two cases, paid over \$83,000 in attorneys’ fees for respondents to challenge Commission subpoenas in court—challenges which the Commission prevailed on. Because the State pays for attorneys to represent respondents and to challenge the Commission’s subpoenas, the Commission should have commensurate and adequate staff to investigate and if necessary, meet the defenses raised by respondents.
 - The Commission files civil actions to enforce New Mexico’s ethics and disclosure statutes; defendants are often well-heeled and fund a litigated defense and, in campaign finance disclosure cases, hire Washington DC or New York law firms.
 - The Commission handles all its litigation in-house, preserving its contracts budget for contracts with paralegal contractors, IT-service providers, hearing officers, mediators, outside auditors, and special projects for training and education.