

New Mexico State Ethics Commission
FY21 Appropriation Request Presentation to Legislative Finance Committee
October 30, 2019, 1:30pm
State Capitol, Room 321

State Ethics Commission Timeline

- November 6, 2018 Constitutional amendment passed.
- March 28, 2019 Enabling legislation enacted. *See* NMSA 1978, §§ 10-16G-1 to -16
- July 1, 2019 Governor, Speaker of the House, President Pro Tempore of Senate, Senate Minority Floor Leader, and House Minority Floor Leader each appointed a Commissioner (*viz.*, Hon. William Lang, Frances Williams, Garrey Carruthers, and Judy Villanueva, respectively).
- August 9, 2019 Legislatively-appointed Commissioners selected final two Commissioners (Ronald Solimon and Jeffrey Baker).
- September 13, 2019 Executive Director (Jeremy Farris) hired.
- October 29, 2019 General rules, rules governing commissioner recusal, and rules of procedure noticed in *New Mexico Register* and available for public comment.
- December 4, 2019 Public hearing on rules
- January 1, 2020 Commission's jurisdiction over complaints begins.

FY21 Request: \$1.15 million

Initial Benchmarks

- The LFC's fiscal impact report for HB 4 (2019) was for \$1 million in recurring expenses.
- Connecticut's Office of State Ethics, which has the same jurisdictional profile as the SEC, had FY19 appropriations of ~\$1.42 million.
- *Compare* New Mexico Judicial Standards Commission (\$869,500 FY20 appropriation, personal-jurisdiction universe of around 310 judges, 180 complaints), *with* the State Ethics Commission (personal-jurisdiction universe of around 55,000: 22,000 state employees, 32,000 active outside suppliers, 725 registered lobbyists, and 700 persons and entities subject to Campaign Reporting Act).

State Ethics Commission FY21 Request by Category

- Personnel (200s). \$708,518 for six FTEs (legal, operational, and financial staff)
- Contracts (300s). \$303,500 for contracts for hearing officers, case investigators, contract attorneys, training instructors, & auditors
- Other costs (400s). \$132,100 for office lease, website, case management and docketing system, commissioner travel reimbursements, DoIT service costs, computer and phone costs, staff travel reimbursements, legal research subscriptions, dues, supplies, etc.



October 30th, 2019

New Mexico Legislative Finance Committee
325 Don Gaspar, #101
Santa Fe, NM 87501

Dear Members of the Legislative Finance Committee:

Thank you for your support of the enabling legislation for the Ethics Commission in the 2019 Legislative Session. After over 75% of New Mexico's voters supported the creation of the Independent Ethics Commission in the Nov. 2018 election, our research showed that the public wanted to see legislation that would enable the commission to operate as transparently as possible, was also efficient and accessible to everyone, and to have broad statutory oversight on the issues that are most important to all New Mexico's citizens regarding ethics and campaign finance.

The laws enacted by SB 668 was the culmination of many long days and nights of hard work from all members and leadership from the House, Senate and the Governor. SB668 is the best embodiment of the tremendous work of our elected officials who guided and led that legislative process in a fair, open and bipartisan manner. The new laws enacted by SB668 this year address what we have been hearing from members of the public and our members the voter's expressed desires for a strong, and independent commission that will be able restore the public's trust in our political process, as well as enhancing New Mexico's ethical reputation across the country to businesses seeking to locate here and grow our state's economy.

Now in 2020, there is an additional need to ensure the funding needed by the Commission and its staff, so that the Commission will be able to do the job that the voters and our elected officials expect of it.

Common Cause New Mexico respectfully requests that the Legislative Finance Committee grant the full funding requested in the supplemental budget request for the operations of the Ethics Commission and their staff. This funding is critical to allow the Commission to function efficiently, meet statutory requirements and fully carry out its responsibilities.

Our sincere thanks to the elected officials, both past and present, who have worked so hard over these past 40 years to create New Mexico's Independent Ethics Commission. The Commission's work will help to lead and guide New Mexico's ethical political culture and will go a long way to restore the trust of New Mexico's citizens in our state's political process. We look forward to seeing its work help to grow our state's national reputation with business leaders throughout

the country and encourage businesses and their families to come to our beautiful state. Thank you for supporting the Commission and their request for additional funding this session.

In Common Cause,

A handwritten signature in black ink, appearing to be 'H. Ferguson', written in a cursive style.

Heather Ferguson

Executive Director, Common Cause New Mexico



NEW MEXICO FIRST
People. Ideas. Progress.

October 28, 2019

New Mexico Legislative Finance Committee
325 Don Gaspar, #101
Santa Fe, NM 87501

Dear members of the New Mexico Legislative Finance Committee,

As part of the New Mexicans for Ethics Coalition, we offer this letter of support to encourage a supplemental increase for FY2020 and a budget increase for FY2021 for the N.M. Ethics Commission. The New Mexicans for Ethics Coalition is a group of good government supporters that advocates for principles to ensure an effective Ethics Commission. We believe that providing appropriations will enable the commission to be a useful resource for New Mexicans who deserve good government. Furthermore, we believe that there are principles necessary to have an effective ethics commission. Among the most important are budget and staffing. The budget for the commission should be enough to support professional staff that can receive and timely initiate, investigate and adjudicate complaints and provide timely advisory guidance. Funding, which allows for appropriate human resources, travel, and facilities, is essential to the viability of this important work.

Ethics commissions in the United States that are underfunded are ineffective. In an article written by the Center for Public Integrity, the author highlights a handful of states that have ineffective ethics commissions, partly due to lack of funding. For some states, ineffective commissions are short-staffed agencies with dwindling budgets and an increasing workload. The Pennsylvania Ethics Commission takes nearly 600 complaints each year, but they only have five full-time investigators to handle the extreme workload. New Mexico's emerging Ethics Commission has a broader scope of work based on the enabling legislation that our N.M. Legislature had the wisdom to pass in 2019. Your forward-thinking and commitment to ethics are in contrast to the situation happening in our neighboring state to the north, Colorado. The Colorado Independent Ethics Commission had one full-time support staff!

"It's just me," said Jane Feldman, the Colorado commission's executive director. Feldman said she currently has an annual budget of \$224,000 but — unlike commissions in many other states — no investigators or lawyers to initiate real enforcement. "I don't think we're a dirty state. I think we're a pretty clean state," Feldman said. "But I think there are cases, especially conflicts of interest issues, where since we don't have an investigator, we don't follow up."

This lack of resources creates a chilling effect on the complaint process itself. Without the funds to investigate complaints, the burden is placed on the complainant to investigate and hire legal counsel. In our state, which has so many people living in poverty, we do not want two systems of justice within our Ethics Commission. The system for redress of grievance for those who can pay for private counsel and a lack of access to those who cannot is a direct consequence of underfunding, which we must avoid. Ethics commissions without enough funding cannot investigate every case, even if they think a case is 100% valid. Commissions may have to turn away cases that might cost more to investigate—cases in rural or tribal areas might be overlooked because of lack of funding. Again, access to justice is a non-partisan issue that New Mexico First is whole-heartedly committed to supporting.

We want the N.M. Ethics Commission to get off to a good start so that it can be an effective institution for New Mexicans. Part of getting it off to a good start requires a robust budget increase that enables timely and effective action. With your leadership, New Mexico can be a leader among other commissions and thrive from the start. On behalf of New Mexico First and the New Mexicans for Ethics Coalition, we hope that you will genuinely consider the appropriation requests before you.

With great respect for your work,

Lilly Irvin-Vitela
President and Executive Director



2333 Wisconsin St. NE
Albuquerque, NM 87110
NMFOG.org

EXECUTIVE
COMMITTEE

Oct. 28, 2019

Karen Moses
President

Legislative Finance Committee
State of New Mexico
State Capitol
Santa Fe, NM 87501

Susan Boe
Vice President

Michael Melody
Secretary

Dear members of the New Mexico Legislative Finance Committee,

Carl Baldwin
Treasurer

The New Mexico Foundation for Open Government, (FOG) part of the New Mexicans for Ethics Coalition, offer this letter of support to encourage a supplemental budget increase for FY2020 and a budget increase for FY2021 for the New Mexico Ethics Commission.

Daniel Yohalem
At-Large Member

At FOG, we believe that open government is good government. In order for the New Mexico Ethics Commission to be effective, we believe it needs a robust budget. This will enable the commission to be a useful resource for New Mexicans.

Charles "Kip" Purcell
At-Large Member

Immediate Past
President
Greg Williams

We know that the emerging Ethics Commission has a broad scope of work. Our own FOG hotline has received several calls from concerned New Mexicans about issues and I have already been asked when the commission will begin to accept calls. I know this is just the beginning of what will be a significant mission.

DIRECTORS

New Mexicans overwhelming approved the state constitutional amendment to establish the ethic commission in the last election. To ensure the success of the Ethics Commission and allow the Commission to fulfill its promise to all of those New Mexico voters, we ask that you consider the appropriation requests before you.

- Mary Ann Armijo
- Kathi Bearden
- Jeri Clausing
- Dede Feldman
- Viki Harrison
- Tom Johnson
- Henry Lopez
- Sammy Lopez
- Paula Maes
- Tim Maestas
- Steve McKee
- Fred Nathan
- Lucas Peerman
- Charles R. Peifer
- Mary Lynn Roper
- Hal Stratton
- Joseph Zebas

With your leadership, New Mexico can be a leader among other commissions and thrive from the start.

Sincerely,

Melanie J. Majors
Executive Director

Melanie J. Majors
Executive Director
NM Foundation for Open Government



Dear Members of the Legislative Finance Committee:

The League of Women Voters of New Mexico asks that the Legislative Finance Committee grant the full supplemental request for the Independent Ethics Commission. This funding is needed to allow it to get off the ground by January 1, 2020 and function fully after that.

The League appreciates the efforts of the New Mexico Legislature to approve the enabling legislation creating the New Mexico Independent Ethics Commission. The 2019 legislation is generally in the spirit of what three-quarters of all voters approved as a constitutional amendment in 2018. The enabling act, SB668, required significant effort, and we acknowledge that.

The League is part of a coalition of organizations that is observing the rollout, staffing and funding of the new commission. We are aware that there was a partial authorization in the 2019 legislative session and that the commission is requesting supplemental funding to complete its budget and carry out its responsibilities as the voters intended

Please approve and report out of Committee the full supplemental request before you.

Sincerely,

A handwritten signature in black ink, appearing to read "Hannah Burling". The signature is fluid and cursive.

Hannah Burling, President
League of Women Voters of New Mexico
president@lwvnm.org

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