

# NOTICE OF OPEN AND CLOSED MEETING

## Wisconsin Ethics Commission

Teleconference Meeting

Public attendance and appearances by Zoom or call in only: [join Zoom meeting](#) or  
(312) 626-6799, meeting ID: 961 7232 8150# passcode: 264 437#

To request a personal appearance, email [ethics@wisconsin.gov](mailto:ethics@wisconsin.gov) by 5:00 p.m. on 12/4

Tuesday, December 8, 2020, 9:00 a.m.

### Open Session Agenda

- A. Call to Order
- B. Report of Appropriate Meeting Notice – Administrator
- C. Approval of Minutes of Prior Meetings
  - 1. Open Session Minutes for Meeting on October 13, 2020 Page 3
- D. Personal Appearances via Teleconference
- E. Guideline ETH-1223 Review Page 7
- F. Delegation of Authority for Administrator to Offer Certain Settlements Page 13
- G. FY21 Lapse Plan Page 17
- H. Staff Report Page 19
- I. Consideration of Future Agenda Items
- J. Closed Session
  - 1. Requests for Advice
  - 2. Complaints and Investigations
- K. Adjourn

#### Future Ethics Commission Meetings Scheduled:

- Tuesday, February 23, 2021 at 9:00 AM
- Tuesday, May 11, 2021 at 9:00 AM
- Tuesday, July 27, 2021 at 9:00 AM
- Tuesday, October 12, 2021 at 9:00 AM
- Tuesday, December 14, 2021 at 9:00 AM

*The Ethics Commission will convene in open session but may move to closed session under WIS. STAT. § 19.85(1)(c), (g), (h), or WIS. STAT. § 19.851. This notice is to inform the public that the Commission intends to convene in open session, but may move to closed session. The Commission plans to return to open session following that closed session, as outlined in the above agenda. WIS. STAT. § 19.85(2).*

WIS. STAT. §§ 19.50 & 19.55(3) No employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subchapter III of ch. 13, or ch. 19.

WIS. STAT. § 19.85(1) Any meeting of a governmental body, upon motion duly made and carried, may be convened in closed session under one or more of the exemptions provided in this section. The motion shall be carried by a majority vote in such manner that the vote of each member is ascertained and recorded in the minutes. No motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer's announcement of the closed session. A closed session may be held for any of the following purposes:

- (g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.
- (h) Consideration of requests for confidential written advice from the elections commission under s. 5.05 (6a) or the ethics commission under s. 19.46 (2), or from any county or municipal ethics board under s. 19.59 (5).

WIS. STAT. § 19.851(2) The commission shall hold each meeting of the commission for the purpose of deliberating concerning an investigation of any violation of the law under the jurisdiction of the commission in closed session under this section.



# Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics  
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## Wisconsin Ethics Commission

Teleconference and at  
101 E. Wilson Street  
St. Croix Room  
Madison, Wisconsin  
October 13, 2020  
9:00 a.m.

### Open Session Minutes

Present: David Halbrooks, Pat Strachota, Paul Connell, Mac Davis, Scot Ross,  
and Timothy Van Akkeren

Staff Present: Daniel Carlton, David Buerger, Julie Nischik, and Caroline Russell

#### **A. Call to Order**

Commission Chair David Halbrooks called the meeting to order at 9:02 a.m.

#### **B. Report of Appropriate Meeting Notice – Administrator**

Commission Administrator Daniel Carlton notified the Commission appropriate meeting notice had been provided to the public and news media.

#### **C. Approval of Minutes of Prior Meetings**

- 1. Open Session Minutes for Meeting on August 18, 2020**
- 2. Open Session Minutes for Meeting on September 3, 2020**
- 3. Open Session Minutes for Meeting on September 10, 2020**
- 4. Open Session Minutes for Meeting on September 15, 2020**

**MOTION:** To approve the minutes. Moved by Commissioner Davis, seconded by Commissioner Van Akkeren. Motion carried unanimously.

#### **D. Personal Appearances**

There were no personal appearances.

#### **E. Administrative Rules Update**

Staff Counsel David Buerger presented the memo on page 15 of the meeting materials.

The Commission took no action.

#### **F. Guidance Document Policy**

Commission Administrator Daniel Carlton presented the memo on page 17 of the meeting materials.

**MOTION:** To adopt the guidance document policy as drafted in the memo. Moved by Commissioner Strachota, seconded by Commissioner Van Akkeren. Motion carried unanimously.

#### **G. Late Payment of Lobbying Fees Staff Procedure Update**

Ethics Specialist Caroline Russell presented the memo on page 23 of the meeting materials.

**MOTION:** To allow staff to begin the new process of sending notification of late lobbying fees two weeks after application for license, registration, or authorization is submitted. Moved by Commissioner Strachota, seconded by Commissioner Van Akkeren. Motion carried unanimously.

#### **H. FY21 Lapse Plan**

Commission Administrator Daniel Carlton provided a verbal update on this item. Administrator Carlton noted the Ethics Commission staff met with the Budget Office staff, and were directed to provide a plan in early 2021. Administrator Carlton noted staff will meet with the Budget Office again in January, and they could potentially make an appearance at the February meeting.

The Commission took no action on this item.

#### **I. Staff Report**

Administrator Daniel Carlton presented the memo on page 25 of the meeting materials.

The Commission took no action.

#### **J. Consideration of Future Agenda Items**

The Commission did not discuss any future agenda items.

#### **K. Closed Session**

**MOTION:** To go into closed session for the purpose of discussing requests for advice, complaints and investigations, and personnel matters. Moved by Commissioner Connell, seconded by Commissioner Van Akkeren. Motion carried unanimously.

1. Requests for Advice
2. Complaints and Investigations
3. Personnel Matters

**L. Adjourn**

**MOTION:** To adjourn. Moved by Commissioner Connell, seconded by Commissioner Davis. Motion carried unanimously.

Meeting adjourned at 5:17 p.m.

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October 13, 2020 Wisconsin Ethics Commission meeting minutes prepared by:

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Julie Nischik, Office Management Specialist

December 8, 2020

October 13, 2020 Wisconsin Ethics Commission meeting minutes certified by:

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Pat Strachota, Vice Chair

December 8, 2020





# Wisconsin Ethics Commission

101 East Wilson Street | Room 127 | P.O. Box 7125 | Madison, WI 53707-7125  
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**DATE:** For the Commission Meeting on December 8, 2020

**TO:** Members, Wisconsin Ethics Commission

**FROM:** David Buerger, Staff Counsel

**SUBJECT:** Revision of Guideline ETH-1223

## FOR COMMISSION ACTION

1. Does the Commission choose to adopt, modify, or direct staff to take other action with regard to Guideline ETH-1223?

Guideline ETH-1223 was a guideline carried over by the Commission from its predecessor agencies. The guideline provided general guidance for state public officials in accepting payment of expenses or compensation for a published work, the presentation of a talk, or participation in a meeting.

At its meeting on February 25, 2020, while reviewing the ethics opinions issued by its predecessors, the Commission voted to revise 1998 Wis Eth Bd 12 to remove language which provided that “barring unusual circumstances, the Ethics Board presumes that compensation of \$100 or less for a meeting or talk is reasonable.” Guideline ETH-1223 referred to that language and was removed from the Commission’s website following that meeting for revision.

Commission staff has now drafted a revised Guideline ETH-1223 following the requirements established in the Commission’s new guideline policy and presents the revised guideline for review and approval. Significant changes include:

- The Guideline is renamed “Expenses and Compensation for Published Works, Presentation of Talks, or Participation in Meetings.”
- Footnotes were added to define “department” and include all legal citations.
- The Guideline was edited to remove the presumption that compensation of \$100 or less is reasonable.
- Verbiage was added that a state public official who is not an elected official may not accept or retain compensation, only payment for, or reimbursement of, actual and reasonable expenses.
- The revision includes an expanded discussion of SEI reporting of expenses or compensation.
- Minor technical changes were made to improve readability.

*Wisconsin Ethics Commissioners*

Paul Connell | Mac Davis | David R. Halbrooks | Scot Ross | Pat Strachota | Timothy Van Akkeren

*Administrator*

Daniel A. Carlton, Jr.

In compliance with the Commission's new guideline policy this revised guideline has been published on the Commission's website for two weeks prior to the publication of meeting materials for this meeting. As of the drafting of this memo, no public comments have been received. If any public comments are received prior to the meeting, they will be included in the supplemental materials for this meeting.

**Attachments**

- A. Guideline ETH-1223 (Revised)
- B. Guideline ETH-1223 (Original)

# Wisconsin Ethics Commission

## *For State Public Officials*

### Expenses and Compensation for Published Works, Presentation of Talks, or Participation in Meetings

*Wisconsin Statutes* encourage every state public official to meet with clubs, conventions, special interest groups, political groups, school groups, and other gatherings to discuss and to interpret:

1. Legislative, administrative, executive, or judicial processes and proposals, and
2. Issues initiated by or affecting a department<sup>1</sup> or the judicial branch.<sup>2</sup>

#### EXPENSES

A state public official may receive and retain reimbursement or payment of **actual and reasonable** expenses that are paid or arranged by the event's organizer for a published work or for the presentation of a talk or participation in a meeting about these processes, proposals, and issues.<sup>3</sup>

#### COMPENSATION

Compensation refers not only to cash but also to other things of value the official may receive for a published work, presentation of a talk, or participation in a meeting.

**ELECTED OFFICIALS:** An elected official may retain **reasonable** compensation that is paid or arranged by the event's organizer for a published work or for the presentation of a talk or participation in a meeting about these processes, proposals, and issues if:

1. The elected official does not rely upon the state's time, facilities, services, or supplies not generally available to everyone.<sup>4</sup>
2. The payment is provided neither by a lobbyist nor by a business, or organization, or local government that employs a lobbyist.<sup>5</sup>

The reasonableness of the compensation is determined by the totality of the circumstances. Factors the Commission may consider in assessing the reasonableness of the compensation include: the payer's relationship to the official's public position; the amount of preparation required for the presentation; the compensation the sponsoring organization provided to other participants who were not state officials; the relative importance of the presentation; and the official's history of commanding speaking fees prior to taking public office.<sup>6</sup>

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<sup>1</sup> "Department" means the legislature, the University of Wisconsin system, any authority or public corporation created and regulated by an act of the legislature and any office, department, independent agency or legislative service agency created under ch. 13, 14, or 15, any technical college district or any constitutional office other than a judicial office. [WIS. STAT. § 19.42\(5\)](#)

<sup>2</sup> [WIS. STAT. § 19.56\(1\)](#)

<sup>3</sup> WIS. STAT. §§ [13.625\(7\)](#), [19.56 \(3\)\(a\)](#)

<sup>4</sup> [1996 Wis Eth Bd 04](#)

<sup>5</sup> WIS. STAT. § [13.625\(1\)](#) and [\(2\)](#)

<sup>6</sup> [2005 Wis Eth Bd 09](#), ¶ 4.

**STATE PUBLIC OFFICIALS:** A state public official, who is not an elected official, may not retain compensation. A state public official, who is not an elected official, may only retain payment for, or reimbursement of, actual and reasonable expenses.<sup>7</sup>

## REPORTING

Every official required to file a Statement of Economic Interests (SEI)<sup>8</sup> who receives anything with a combined value exceeding \$50 (excluding the value of food or beverage offered coincidentally with a talk or meeting) for a published work or for the presentation of a talk or participation in a meeting, must identify the payor, the circumstances for which the payment was made, and the approximate value on his or her annual Statement of Economic Interests.<sup>9</sup>

However, an official required to file an SEI is not required to report receipt of expenses or compensation if:

1. The official returns what was provided to the payor within 30 days of receipt;
2. The payor is identified on the official's SEI as a source of income;
3. The official can show by clear and convincing evidence that it was unrelated to and did not arise from the official's holding or having held a public office and was made for a purpose unrelated to the processes, proposals, or issues described above;
4. The official has previously reported the expenses or compensation to the Commission as a matter of public record;
5. The expenses or compensation are paid by the official's department;
6. The expenses or compensation are made available to the official by WEDC or the Department of Tourism.<sup>10</sup>

## DISPOSING OF PAYMENTS

If a state public official receives a payment, in cash or otherwise, that the official may not keep, the official should deposit it with the official's department, or, in the case of a justice or judge, to the director of state courts. If this is not practical, the official shall:

- Return the item or its equivalent to the payor;
- Turn the item over to the official's agency (if the item is one the agency can use or sell);
- Turn the item over to another state agency or public institution (e.g., a school, library, or museum) that can use the item;
- Give it to a charitable organization with which the official is not associated.<sup>11</sup>

See Guideline [ETH-1235](#) for more information on the disposition and reporting of gifts.

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<sup>7</sup> [WIS. STAT. § 19.56\(3\)\(a\)](#)

<sup>8</sup> [WIS. STAT. § 19.42\(10\)](#)

<sup>9</sup> [WIS. STAT. § 19.56\(2\)\(a\)](#)

<sup>10</sup> [WIS. STAT. § 19.56\(2\)\(b\)](#)

<sup>11</sup> [WIS. STAT. § 19.56\(4\)](#)

# Wisconsin Ethics Commission

## *For State Public Officials*

### Expenses And Compensation For Talks

*Wisconsin Statutes* encourage every state public official to meet with clubs, conventions, special interest groups, political groups, school groups, and other gatherings to discuss and to interpret:

1. Legislative, administrative, executive or judicial processes and proposals AND
2. Issues initiated by or affecting the legislature, the University of Wisconsin system, an authority or public corporation created and regulated by the legislature an office, department, independent agency or legislative service agency, technical college district, constitutional office, or the judicial branch. [§§ 19.42 (5) and 19.56 (1), *Wisconsin Statutes*]

#### EXPENSES

For the presentation of a talk about the types of processes, proposals, and issues just described, a state public official may receive and retain reimbursement or payment of actual and reasonable expenses that are paid or arranged by the event's organizer. [§19.56 (3) (a), *Wisconsin Statutes*]

#### COMPENSATION

**APPOINTED OFFICIALS:** An appointed state public official may not retain compensation for presenting a talk related to the official's state position [§19.45 (2), *Wisconsin Statutes*]

**ELECTED OFFICIALS:** For the presentation of a talk about the types of processes, proposals, and issues described above, an elected state official may retain **reasonable compensation** paid or arranged by the event's organizer if:

- The official prepares and presents the talk without more than incidental reliance upon the state's time, facilities, supplies, or services not generally available to anyone [§19.56 (3), *Wisconsin Statutes*]; AND
- The payment is provided neither by a lobbyist nor by a business, or organization, or local government that employs a lobbyist [§13.625 (1) and (2), *Wisconsin Statutes*]

*Compensation* refers not only to an honorarium of cash or its equivalent but also gifts, tickets, entertainment and the like and to the payment or reimbursement of travel, lodging, meals, et cetera for an official's spouse or guest.

Barring unusual circumstances, the Wisconsin Ethics Commission presumes that compensation of \$100 or less for a talk is reasonable. Compensation in excess of that amount may or may not be reasonable depending upon the totality of the circumstances. The Commission considers case by case the reasonableness of payments that substantially exceed \$100. Factors the Board may take into account in assessing a payment's reasonableness include: the payer's relationship to the official's public position; the amount of preparation required for the presentation; the compensation the sponsoring organization provided to other participants who were not state officials; the relative importance of the presentation; and the official's history of commanding speaking fees prior to taking public office.

*This is a guide. For authoritative information consult Wisconsin Statutes.*

**Disposition of gifts and payments that may not be retained.** If a state official receives cash or a gift that the official may not keep, the official should, if practical, convey it to the agency with which the official is associated, or, in the case of a justice or judge, to the director of state courts. If this is not practical, the official may either return it or its equivalent or give it to a charitable organization other than one with which the official is associated. [§19.56 (3), *Wisconsin Statutes*] *See also* Wisconsin Ethics Commission Publication ETH-1235 – Disposition of Gifts.

**Reporting Payments for talks.** When a public official accepts travel, meals, food, lodging, reimbursement of expenses, or compensation valued at more than \$50 (exclusive of a meal coincident with the talk) for presenting a talk or participating in a meeting, then the official must identify the payer, the circumstances for which the payment was made, and the approximate value either on his or her annual Statement of Economic Interests or by a separate letter to the Ethics Commission. An official should report that information even if all or part of the payment is donated to charity or to a state institution. [§19.56 (2), *Wisconsin Statutes*]



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**DATE:** For the Commission Meeting on December 8, 2020  
**TO:** Members, Wisconsin Ethics Commission  
**FROM:** Daniel A. Carlton, Jr., Administrator  
**SUBJECT:** Delegation of Authority to Issue Standard Settlements

## FOR COMMISSION ACTION

For this agenda item, the Commission may:

1. Delegate authority to the Administrator to issue standard settlements as discussed in this memo;
2. Delegate the authority to issue standard settlements as altered by today's discussion;
3. Decline to delegate authority to the Administrator to issue standard settlements; or
4. Take other action consistent with today's discussion.

## Introduction

The Commission has regularly delegated authority to the Administrator to offer standard settlements for audits of late-filed reports and late paid fees.<sup>1</sup> For example, at the August Commission meeting, the Commission authorized staff to offer settlements for late-filed Pre-Primary Reports received before the next regularly scheduled meeting. This has allowed more efficient settlement of potential violations. The purpose of this agenda item is to consider whether the Commission would like to continue this practice and, if so, to formalize the policy governing how this is done. This memo will present an overview of the auditing and settlement process, will discuss pertinent considerations, and propose a policy concerning delegation of the authority to settle certain audit-related matters.

## Auditing Overview

The Commission conducts audits to identify potential violations of the laws within its jurisdiction. The Commission has a robust auditing schedule for potential violations of campaign finance law and lobbying law. These audits detect potential issues ranging from late filings or late fees to

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<sup>1</sup> [WIS. STAT. § 19.49\(2\)\(b\)10](#). provides that the Commission shall adopt rules specifying categories of offenses the Commission will agree to compromise without investigation. The Commission has done so through adoption of ETH 26. It further allows the Commission to authorize the Administrator to settle these matters if the aggregate settlement is not in excess of \$2,500.

substantive deficiencies in reports. The Commission also audits for late-filed Statements of Economic Interests.<sup>2</sup> When a potential violation is identified, staff contacts the person, committee, or principal to advise them of the potential violation. The person, committee, or principal then has the opportunity to respond to the findings. The audit findings are presented to the Commission for a determination of whether the Commission believes a violation occurred. If the Commission does not believe there is a violation, the matter is closed.

If the Commission believes a violation occurred, the Commission typically offers a settlement consistent with the standard settlement schedule in [ETH 26](#). Once directed by the Commission, the staff sends a settlement agreement to the person, committee, or principal. The party may either accept the settlement or present additional information in the form of an appeal to the Commission.

### **Considerations**

The first consideration is the kind of audit that is being conducted. The Commission, not staff, is charged with exercising discretion and judgment. For this reason, there should not be a broad delegation of authority. Any delegation should be targeted to improve efficiency while maintaining the Commission's ability to exercise its discretion and judgment. For this reason, the Commission may want to authorize the Administrator to issue standard settlements for late reports and late payment of fees. These matters are normally clear. Deadlines are known and it is easy to demonstrate that the report or fee is late. If there are extenuating circumstances, the person could appeal the settlement offer.

Additionally, the Commission may want to authorize the Administrator to offer standard settlements for other auditing issues in two additional circumstances. The first circumstance is the situation where the person responds and admits that the violation occurred. In these cases, there is no dispute about whether a violation occurred. The second circumstance the Commission may want to authorize the Administrator to offer a standard settlement for is when a person has not responded to the audit findings notice within the 30-day period allotted. Any other circumstances should be brought to the Commission to consider whether a settlement would be offered.

Another consideration in support of delegating authority to settle certain matters consistent with the standard settlement schedule is efficiency. The process currently used requires staff to conduct the audit query, notify the persons identified in the audit, receive the responses, and compile the responses for the meeting. Meeting material has to be prepared by staff, it has to be reviewed by the Commissioners, and it has to be presented and discussed at the meeting. Then, the Commission decides whether to offer a settlement. After that, the person still has the opportunity to provide further information which can be treated as an appeal for the Commission to reconsider. In the circumstances described above, the Commission may feel that it would be more efficient to simply allow staff to issue the types of settlements described above. Once the settlement is offered, any further information received that may warrant reconsideration can be presented to the Commission as an appeal.

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<sup>2</sup> The audits conducted by the Commission are described on the Commission's website at <https://ethics.wi.gov/Pages/Enforcement/Audits.aspx>.

Finally, parties frequently want to settle matters quickly and close out the audit. However, the Commission has only 5 regularly scheduled meetings per year. As a result, parties frequently have to wait for the Commission to offer the settlement. In cases where the party simply wants to settle and there is no discretion to be exercised, staff could work with them to quickly to resolve the matter. In addition to increased efficiency, quick resolution of simple matters would also help reduce confusion for parties that may have multiple audit findings pending.

### **Proposed Policy**

The Commission can choose to adopt this policy, make any changes it wishes to this policy, or choose not to delegate any authority to the Administrator. For purposes of this discussion, what follows is a proposed policy for the Commission to consider.

The Commission hereby delegates the authority to offer standard settlements pursuant to [ETH 26](#) to the Administrator as follows:

- The Administrator may offer settlements for late reports or late payment of fees once the deadline has passed. Any extenuating circumstances can be submitted as an appeal. Every appeal will be presented to the Commission at its next regularly scheduled meeting.
- For any other audit, the Administrator may offer settlements only if the person, committee, or principal:
  - Does not respond within 30 days, or
  - Admits the violation.
- If a response is received that disputes whether a violation occurred or requests the Commission's consideration, no standard settlement will be issued by the Administrator. The matter will be considered by the Commission at the next regularly scheduled meeting.
- If the Administrator has any doubt as to the resolution of a potential violation found in an audit, the matter will be presented to the Commission for its consideration at the next regularly scheduled meeting.
- The Administrator may only offer settlements with an aggregate financial component of \$2,500 or less. If the standard settlement schedule provides for a settlement with a financial component in excess of \$2,500, the matter must be referred to the Commission.

After this delegation, staff will use the following process:

- Staff will notify the person, committee, or principal of a potential violation.
- Staff will present the findings and response, if received, to the Administrator.
- The Administrator will decide consistent with the delegation above whether the matter should be considered by the Commission. If not, the Administrator may offer a standard settlement on behalf of the Commission.
- If the Administrator offers a standard settlement, the Administrator may direct staff to draft the settlement agreement and send it to the person, committee, or principal.
- Any settlement offered by the Administrator will be logged and tracked by the staff member conducting that audit.

- The Commission will be advised of all settlements offered by the Administrator as follows:
  - If a settlement is offered, accepted, and the matter is closed between regularly scheduled meetings, staff will prepare a memo that will apprise the Commission of the identity of the party to the settlement, the nature of the settlement, the amount of the settlement, the date the settlement was offered, and the date the settlement was closed.
  - If a settlement is offered but is not accepted before the next regularly scheduled Commission meeting, the settlement will be included in the Outstanding Settlements memorandum presented in Closed Session.

Anyone who receives a settlement offer from the Administrator may appeal. All appeals will be decided by the Commission. An appeal will be presented to the Commission at the next regularly scheduled meeting.



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**DATE:** For the Commission Meeting on December 8, 2020

**TO:** Members, Wisconsin Ethics Commission

**FROM:** Daniel A. Carlton, Jr., Administrator

**SUBJECT:** FY 2021 Budget Lapse Update

This memo is for informational purposes only. No action is required by the Commission.

On July 22, 2020, Commission staff were notified that the agency is expected to lapse an amount from the FY2021 agency budget (July 1, 2020, through June 30, 2021). This lapse is to offset the state's revenue loss due to the COVID-19 pandemic.

The Commission's lapse goal is \$113, 913 in FY2021. DOA indicated the plan should avoid workforce reductions or employment actions, such as furloughs. Agencies have discretion in which appropriations are reduced to make up the lapsed amount for the year. DOA also indicated agencies may have discretion in where the lapsed amount is taken from as the fiscal year carries out.

On November 13, 2020, staff met with Department of Administration Secretary Joel Brennan and two staff members from the State Budget Office ("SBO Staff") for an update on the FY 21 Lapse Plan. During that meeting, staff was advised that the hope was that the Commission would lapse \$113,913 as previously requested. Staff advised the Secretary and SBO Staff that, while we were optimistic that goal could be accomplished, the Commission was concerned about the lapse's impact on the ability to freely investigate matters appropriately. Secretary Brennan understood that concern and expressed a willingness to work with the Commission to accommodate such needs if they arise. Staff advised that we would update the Commission and that we would continue to work with SBO Staff to ensure they were aware of any Commission needs that might arise that could impact the Commission's ability to meet the lapse goal. Staff anticipates meeting with the SBO Staff after this meeting.





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**DATE:** For the Commission Meeting on December 8, 2020

**TO:** Members, Ethics Commission

**FROM:** Ethics Commission Staff

**SUBJECT:** Ethics Commission Staff Report

## **Commission Administration**

### E-Payment for Campaign Finance Filing Fees

Ethics Commission staff have resumed working with Wisconsin Interactive Network (WIN) to develop a form to collect electronic payments for campaign finance filing fees. When staff last updated the Commission on this project in December 2019, staff advised the Commission that the quote to build this form was approximately \$20,000. At that time, WIN advised that there was a tool coming that could perform this function and that it would cost significantly less. The project was put on hold until more information could be obtained.

In October, WIN contacted us to advise that WIN developed a template form for agency use that greatly reduced the amount of development work necessary to build the form. The development cost to the agency for this project is \$850. Annual maintenance thereafter is \$250 per year. Staff resumed the project and are expecting to complete it by mid-December. Committees paying the fee for 2020 will have the option to make a payment online with a credit card or through a bank transfer. The Committees will continue to have the option to pay the fee with a check.

### Administrative Rules

Ethics Commission staff continue to work on additions to ETH 21 – Practice and Procedure, regarding the process to be used for complaints and requests for advisory opinions received by the Commission. The Commission’s other draft rules are currently pending legislative review and will be considered received as of the first day of the new legislative session in 2021.

### Training

Staff Counsel presented a session on campaign finance reporting requirements for the UW Extension’s Local Government Education program on November 25, 2020. The Administrator will be presenting to the newly elected legislators as part of the New Legislators Institute on December 9, 2020. The next training scheduled after that is scheduled for February 2021.

## **Campaign Finance**

### Pre-Election Fall 2020

The Pre-Election Fall 2020 reports were due October 26, 2020. There were 285 candidates required to file this report, as well as any party, legislative campaign committee, PAC, or independent expenditure committee that supported or opposed a Fall 2020 candidate. There were 509 total committees that filed by October 26, 2020 (94.1%). An additional 18 committees filed after October 26 (3.3%). There are 7 candidates that still have not filed (2.5%) at the time of this memo.

## **Lobbying**

### 2019-2020 Legislative Session

As of November 10, 2020, there were 815 lobbying principals registered, 708 lobbyists licensed, and 1,792 lobbyist authorizations.

Statutes require each lobbying principal to submit a Statement of Lobbying Activities and Expenditures (SLAE) twice a year. The July – December 2020 SLAE is due on January 31, 2021. After principals and lobbyists file their reports, staff will conduct audits for late SLAEs, late 15-day reports, lobbying without authorization, and late payment of lobbying fees.

Planned launch of the new lobbying website was November 6, 2020. Due to COVID-19 delays, the launch will be delayed to 2021. Staff has evaluated the Ethics Commission 2021 timeline and determined that late May would be the next ideal launch time. Launching the new lobbying website in late May should give ample time to train the lobbying community, and not interfere with filing deadlines and the budget cycle.

### Legislative Liaison Reporting

The next 6-month legislative liaison report is due January 31, 2021.

## **Code of Ethics and Financial Disclosure**

### Statements of Economic Interests (SEIs)

As of November 16, 2020, there were 2,577 total state public officials required to file an SEI for 2020. There are 2,251 annual filers who had their SEI due by April 30, 2020. Filing for the 2021 Spring Election begins December 1, 2020. Notices to reserve judges and November Election winners will go out in mid-December, and all other filers will receive notices in January 2021.

### State of Wisconsin Investment Board Quarterly Reports

The 2020 third quarter reports were due by October 31, 2020. All 64 SWIB filers filed by the deadline. Staff electronically transferred all files to the Legislative Audit Bureau. The next quarterly reports will be due by January 31<sup>st</sup>, covering October 1<sup>st</sup> to December 31<sup>st</sup>.