

# NOTICE OF OPEN AND CLOSED MEETING

## Wisconsin Ethics Commission

101 E Wilson Street, St. Croix Room  
Madison, Wisconsin

Tuesday, July 23, 2024, 9:00 a.m.

### Open Session Agenda

- A. Call to Order
- B. Report of Appropriate Meeting Notice – Administrator
- C. 2025 Commission Meeting Schedule Page 3
- D. New Campaign Finance System Project Update Verbal
- E. 2025-2027 Biennial Budget Request Page 7
- F. Staff Report Page 47
- G. Closed Session
  - 1. Requests for Advice
  - 2. Complaints, Investigations, and Audits
  - 3. Legal Advice Regarding Potential Litigation
  - 4. Personnel Matters
  - 5. Adjourn

#### Future Ethics Commission Meetings Scheduled:

- Tuesday, October 15, 2024, at 9:00 AM
- Tuesday, December 17, 2024, 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 intends to adjourn in closed session after completion of the closed session agenda.*

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 an 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:

(c) Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

(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.

WIS. STAT § 19.851(3) The commission shall convene in closed session for any of the following purposes:

(a) To consider whether there is a reasonable suspicion or probable cause to believe that a violation of the law occurred or is occurring based on a complaint and, if received, a response to that complaint.

(b) To receive reports concerning audit findings and consider whether there is a reasonable suspicion or probable cause to believe that a violation of the law occurred or is occurring.



# Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics  
101 E. 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>

**DATE:** For the Commission Meeting on July 23, 2024  
**TO:** Members, Wisconsin Ethics Commission  
**FROM:** Daniel A. Carlton, Jr., Administrator  
**SUBJECT:** 2025 Commission Meeting Dates

## FOR COMMISSION ACTION

For the 2025 meeting schedule the Commission may:

1. Adopt the schedule discussed herein; or
2. Adopt a different schedule in accordance with today's discussion.

## 2025 Meeting Schedule

Pursuant to [WIS. STAT. § 15.06\(5\)](#), the Wisconsin Ethics Commission is required to meet at least 4 times each year. Between 2017 until 2020, the Commission met at least 7 times per year. In 2021, the Commission met 5 times. In 2022, the Commission had 5 meetings scheduled, but only met 4 times. In 2023, the Commission was scheduled to meet 4 times, but met 8 times. In 2024, the Commission is scheduled to meet at least 5 times. As of June 2024, the Commission has met 3 times in addition to the 5 regularly scheduled meetings.

Staff examined known election dates, filing deadlines, and other important dates for the year. Staff has included two proposed schedules. One with 4 meetings and one with 5 meetings. The Commission is not bound by these proposed dates and can select alternative dates. The Commission can add additional meetings if necessary.

Staff proposes the following meeting dates for the year 2025:

Commission Meeting Date	Materials Deadline <sup>1</sup>
March 11, 2025	February 26, 2025
June 17, 2025	June 4, 2025
September 23, 2025	September 10, 2025
December 16, 2025	December 2, 2025

<sup>1</sup> While there is no statutory requirement to provide materials to the Commissioners by a particular time, staff practice has been to send meeting materials to the Commission members approximately two weeks prior to the next meeting. These dates are subject to change and are provided for reference only. If an alternate meeting date is suggested, it is important to also consider any events occurring two weeks prior to the alternate date.

Commission Meeting Date	Materials Deadline
February 25, 2025	February 12, 2025
May 13, 2025	May 1, 2025
August 5, 2025	July 22, 2025
October 21, 2025	October 8, 2025
December 16, 2025	December 3, 2025

Attachment:

- A. 2025 Important Dates Calendar



# 2025 Ethics Commission Calendar

## Calendar for Year 2025 (United States)

January							February							March							April							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
			1	2	3	4							1								1			1	2	3	4	5
5	6	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8	6	7	8	9	10	11	12	
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15	13	14	15	16	17	18	19	
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22	20	21	22	23	24	25	26	
26	27	28	29	30	31		23	24	25	26	27	28	23	24	25	26	27	28	29	27	28	29	30					
													30	31														

May							June							July							August						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5						1	2
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
25	26	27	28	29	30	31	29	30					27	28	29	30	31			24	25	26	27	28	29	30	
																			31								

September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
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- |   |   |   |                                  |
|---|---|---|----------------------------------|
| <b>Jan 1</b> • New Year's Day                                   | <b>Feb 10</b> • Spring Pre-Primary Filing Deadline  | <b>Jun 19</b> • Juneteenth  | <b>Jul 31</b> • SLAE Deadline    |
| <b>Jan 15</b> • January Continuing Filing Deadline              | <b>Feb 17</b> • Presidents' Day                     | <b>Jul 1</b> • 2023 Wisconsin Act 126 Effective - Local Candidates begin filing with Commission | <b>Sep 1</b> • Labor Day         |
| <b>Jan 20</b> • Inauguration Day (DC, MD (partly), VA (partly)) | <b>Feb 18</b> • Spring Primary                      | <b>Jul 4</b> • Independence Day   | <b>Oct 13</b> • Columbus Day     |
| <b>Jan 20</b> • Martin Luther King Jr. Day                      | <b>Mar 24</b> • Spring Pre-Election Filing Deadline | <b>Jul 15</b> • July Continuing Filing Deadline   | <b>Nov 11</b> • Veterans Day     |
| <b>Jan 31</b> • SLAE Deadline                                   | <b>Apr 1</b> • Spring General Election              |   | <b>Nov 27</b> • Thanksgiving Day |
|   | <b>May 26</b> • Memorial Day                        |   | <b>Dec 25</b> • Christmas Day    |





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**DATE:** For the Commission Meeting on July 23, 2024  
**TO:** Members, Wisconsin Ethics Commission  
**FROM:** Daniel A. Carlton, Jr., Administrator  
**SUBJECT:** 2025-27 Biennial Budget Request

## FOR COMMISSION ACTION

For this memo, the Commission could take one of the following actions:

1. Adopt or reject the potential budget request items below;
2. Make additional budget item requests; or
3. Take action consistent with today's discussion.

## Introduction

Wisconsin's government operates on a biennial budget. The next biennial budget will cover fiscal years 2025-2027 which run from July 1, 2025, through June 30, 2027. Each agency is required to submit a biennial budget request for the 2025-27 Biennial Budget to the Governor no later than September 16, 2024. The purpose of this memo is to inform the Commission about the budget process and to provide some additional information for the Commission's consideration in formulating its budget request for the upcoming biennium.

## Background Information

As alluded to above, the Commission must submit a biennial budget request to the Governor no later than September 16, 2024. At the beginning of each budget cycle, the Governor publishes his Major Budget Policies. For this biennium, the policies include:

- Preparing the agency budget using 100% of the 2024-25 Fiscal Year's adjusted base;
- Assume zero growth in GPR funding;
- Agencies may request up to a 5% increase amongst certain appropriations (not salary and fringe); and
- Budget requests should not address substantive policy unrelated to the budget request.

Compared to other agencies and departments, the Commission's biennial budget is relatively simple and uncomplicated. These appropriations are established in WIS. STAT. § 20.521. The Commission's appropriations consist of General Purpose Revenue (GPR) and Program Revenue (PR). It is easiest to think of GPR as being from the state's general fund whereas PR is money that is paid directly to the Commission in the form of fees (campaign finance filing fees and lobbying

registration and licensing fees) which fund the program areas. These appropriations are established in WIS. STAT. § 20.521. For the Commission, GPR is broken down into separate lines for salary and fringe, supplies and services, and meeting costs. PR is allocated according to whether it is campaign finance program revenue or lobbying program revenue. These funds are also designated for certain purposes such as salary and fringe, supplies and services, etc. For brevity's sake, rather than summarize the Commission's biennial budget in detail, a copy of the current biennium's budget request is attached.

There are two considerations in formulating the Commission's budget request. First, the budget request must provide for sufficient funds to maintain current staffing levels and operational needs. Second, the budget request may also include "Decision Items." These decision items are for new or additional funding needs. As for the former, this is a pretty simple process and does not require attention from the Commission. As to the latter, these additional items require Commission consideration and approval.

The most important part of the Commission's budget request and discussion concerns the Decision Items. It is important to note at the outset that these decisions will probably require additional GPR funding despite the Governor's policies stating that additional GPR should not be sought. During the legislative session, the Administrator discussed the potential fiscal impact on the Commission. Since then, the Administrator has also communicated with the Governor's Office and the staff of the Senate Majority Leader, Senate Minority Leader, Speaker, and Assembly Minority Leader. They are aware that the Commission's budget request will likely contain a substantial increase in appropriations. The Administrator will continue to communicate with them as information becomes clear and, when appropriate, begin discussing the budget request with the Co-Chairs of the Joint Finance Committee.

### **Decision Item #1 – Staffing Needs**

The primary reason the Commission needs additional staffing is that the Commission will see an exponential increase in the amount of work as a result of the passage of 2023 Act 126. 2023 Act 126 requires all local campaign finance committees to register and report with the Commission beginning July 1, 2025. The Commission will be expected to audit all of the local registrants in the same way that it does for its current registrants. This means a voluminous increase in data analysis, communication, and follow-up. Additionally, the Commission can still expect local referrals from the clerks. The Commission can also expect an increase in complaints filed with the Commission about local candidates and officials. There are good policy reasons for the Commission to assume responsibility for these local filers. First, there will be increased transparency. Local registrants will be filing online on our centrally located website. Second, there will be uniformity in the interpretation and application of campaign finance laws. For example, there will be much less confusion about the exempt status threshold. But, the additional work will require additional staff. Campaign finance filing fees would not begin to offset the additional work because candidate committees are not required to pay the filing fee. The additional staff, equipment, and space will have to be paid for by additional GPR.

Before examining our specific needs, it is important to establish some context. To do so, staff has reviewed the staffing levels in other states for comparison. It is important to note that each state



approaches things differently. Like Wisconsin, some states have one agency that regulates campaign finance, lobbying, and ethics/SEIs. Other states have one agency that regulates lobbying and ethics, but not campaign finance. Most of the states have significantly more staff than we currently have. For example, the Florida Commission on Ethics has approximately 24 full-time staff. That Commission has jurisdiction of the ethics laws and executive branch lobbying. Its primary functions are complaints and advice. While it imposes penalties for late reports, the only auditing it does are random-sample audits of executive branch lobbying activity. Florida's campaign finance laws are enforced by the Florida Election Commission, which has 12 staff of its own. So, Florida has 36 staff that carry out most of the duties we have. The takeaway here is that the additional staff we will be requesting is on par with the staffing levels of most other states.

We have some information to help us understand the impact the Act will have on our workload. However, we are working to get a clearer picture. First, we are trying to determine from the clerks how many additional committees we will have and the number of them that are exempt. To determine the number of additional committees, and the number of exempt local committees, we sent a survey to all of the local clerks. As of the writing of this memo, only about 300 of the local clerks have responded to the survey.

Currently, we have approximately 3,135 active registrants. Of those, 1,838 are currently on exempt status. While we are still trying to gather data, we know that there are approximately 15,000 local elected offices. That means that, at a minimum, there are 15,000 candidate committees. Just based on that, we will experience a 9-fold increase in the number of candidate committees. However, that does not include the number of non-incumbent candidate committees for those seats. Additionally, there may be local referendum committees and other registrants.

We can expect some offset of the increase based on the number of candidate committees that are on exempt status. However, even that has to be taken with a grain of salt. The threshold for exempt status is \$2,500 in contributions, disbursements, and incurred obligations in the aggregate per calendar year. We know that there has been confusion about this and that some believe that you have to have \$2,500 in one or more of the transaction types. However, since the statute says "in the aggregate," that understanding is not correct. For example, a committee exceeds the threshold if they have received \$2,000 in contributions, \$500 in disbursements, and have \$200 in incurred obligations. There is likely to be a significant number of committees that have been incorrectly claiming exempt status. So, we should be cautious about requesting fewer positions based on the number of exempt committees.

As the Commission is aware, our team members do not focus only on one program area. Rather, one task may be campaign finance, but the next task could be a lobbying task. So, to help figure out the additional workload and number of people we will need, staff has been tracking their time by program area. Staff tracked time for a couple of weeks in May. Additionally, staff are currently tracking their time for the month of July. The reason we are tracking for the month of July is because we have filing deadlines in campaign finance, lobbying, and SWIB Quarterly Reports. This time tracking will help us more accurately figure out how many additional staff we need.

In considering the additional staffing the Commission will need, it is important to first remember that, while a lot of this additional work will be handled by Ethics Specialists, other positions will be needed. The following are the additional positions that the Commission may want to request:

### Full Time Training Staff

The most important thing that we do is education and advice. We train folks how to use our reporting systems and we train them on the laws within our jurisdiction. When regulated communities receive more training and education, compliance rates improve. One of the hallmarks of the commissions with the highest compliance rates is the ability to conduct a lot of training sessions. These states typically have dedicated training staff. While we do as much training as we can, there is a significant opportunity for us to conduct more training sessions. Additionally, the quality of our presentations would be improved by having staff dedicated to training. With 2023 Act 126 being effective, there is going to be a significant need for training at the local level.

Recommendation: One permanent full-time trainer and one project full-time trainer. To reach the local campaign finance communities, we will need to travel around the state and conduct training in person as well as in virtual sessions. This will require a lot of staff time. Rather than requesting two permanent trainers, having one trainer in a project position will allow us time to conduct these trainings and evaluate whether that position should become permanent.

### Office Management Staff

Currently, the Commission has one Office Management Specialist. When the Government Accountability Board was split, and the Ethics Commission and Elections Commission were created, the transition plan called for staff of the Elections Commission to provide office management support. That never came to fruition. The current Office Management Specialist position is already significantly taxed with all of the responsibilities that position has. When we add the number of staff that we will need to handle the locals, having two office management staff will be necessary to conduct all of the tasks that need to be done. Further, it will significantly reduce the number of “separation of duties” exceptions we must rely on.

Recommendation: One Office Management Specialist Supervisor

### Attorneys

While the Administrator and Assistant Administrator are attorneys, the Commission only has one full-time attorney. This is not sufficient to take care of all of the Commission’s needs. The Commission should have sufficient legal staff to provide advice, process complaints, file litigation, draft legal documents, and engage in rulemaking. When the Act takes effect, there will be a significant increase in legal work. We expect that there will be a lot more campaign finance related requests for advice and complaints regarding local candidates and officials. Also, it is reasonable to expect that with increased local presence, we will see more requests for advice and complaints regarding the conduct of local officials.

Recommendation: 1) Create a new Attorney Supervisor Position. 2) Add two additional attorney positions.

### Ethics Specialists

There are two challenges here to address. First, we will need additional ethics specialists to carry out the new local campaign finance duties. Second, we need additional steps/promotional opportunities for the ethics specialists. Currently, we only have Entry Ethics Specialists and Senior Ethics Specialists. Generally, after staff have been with the Commission for a couple of years, they have been promoted to Senior Ethics Specialist. However, there is nowhere to go from there. The only possibilities for bonuses/increased compensation are through the Discretionary Merit Compensation plan and general wage adjustments. Due to the Commission's small budget, it typically can only provide DMCs totaling between \$2,500 and \$3,000. This is typically split between a couple of staff members. The Commission has been challenged when it comes to retention because there is no opportunity for advancement and the limited ability to provide DMCs. We have been requesting the Bureau of Classification and Compensation to provide additional steps since the Commission was created. However, that Bureau has not acted on our requests.

Recommendation: 1) We will need to hire additional Ethics Specialists. We are waiting for survey responses and time-tracking results to determine how many Ethics Specialists we will need. Presumably, when we hire the Ethics Specialists, they will start as Entry Ethics Specialists. By that point, the 3 current Entry Ethics Specialists should rightfully all be reclassified as Senior Ethics Specialists and the new positions will be Entry Ethics Specialists. If the Commission agrees, the increase in salary for our 3 current Entry Ethics Specialists will be included in the request. While we don't have a full picture yet, we expect that we will need to request between 6 and 13 Entry Ethics Specialists. The Commission could either convene another meeting to authorize a specific number of Ethics Specialists or delegate authority to the Administrator to determine and include the correct number of Ethics Specialists in the budget request.

2) Include a requirement that the Bureau of Classification and Compensation provide additional steps for Ethics Specialists to help increase staff retention.

### Office Needs for Additional Staff

Obviously, a larger staff means that more space will be needed. There will be a cost to build out offices and cubicles as well as additional rent costs. Offices typically cost approximately \$25,000 to build. We will need a minimum of three new offices. Cubicles typically cost approximately \$7,000 to build. We will need cubicle space for each of the new ethics specialists, the trainers, and the additional office management person. Additionally, with an increased footprint comes increased rent. Further, we will need additional equipment including computers, phones, monitors, software licenses, and other expenses. The total cost of this will be determined once we are certain how many Ethics Specialists we need.

### **Decision Item #2 – Existing Staff Equipment Upgrades**

The lifecycle of certain equipment is established in DET policy. While our monitors are still working, they have reached the end of their lifecycle. Therefore, we need to replace our monitors. We have 20 monitors. We expect the cost to replace the monitors will be approximately \$300 per monitor.

Recommendation: Request \$6,000 to replace the monitors.

### **Decision Item #3 – Civera**

Civera is the vendor that the Commission hired to build the new campaign finance website. There are two phases of the contract. The first phase is the Build Phase. Once the application is completed, there is a two-year Maintenance Phase. During those two years, Civera agreed to provide all maintenance and support, bug fixes, and new features. The goal was to have the website ready early in 2024 and transition to the Maintenance Phase beginning FY 2024-25. The Build Phase has taken a bit longer than anticipated. This means that we will not start the Maintenance Phase until later in 2024. (The Maintenance Phase for FY 2024-25 will be prorated for only that portion of the year that we are in the Maintenance Phase.) Ideally, we would like to have a minimum of two years of Maintenance Phase. So, we should extend the Maintenance Phase through the second year of the biennium. This will allow our IT contractors to learn about the new application before we take over ownership. Civera has indicated that they would be willing to extend the Maintenance Phase another year at the same price (\$135,000).

Recommendation: Extend the Maintenance Phase by 1 fiscal year.

### **Decision Item #4 – Other IT Needs**

The Commission is currently supported by DET. Through that service, we have an internal Sharepoint website where all of our records are stored. While there have not been any issues with that Sharepoint site, the Commission might feel that it is better to have a local network only accessible by the Commission and its staff, especially for complaint, advice, and auditing records. As part of this, staff would explore building or buying customer relations management software, which has been a goal of the Commission for a while now. Would the Commission like staff to look into how expensive it would be to set something like that up?

Also, the Commission's lobbying, SEI, and campaign finance applications are currently hosted on state servers. These applications and their databases contain little, if any, confidential information. The new campaign finance application that we are building is hosted on an AWS (Amazon) cloud-based server/platform. When we takeover ownership of that product, it might be better to keep it on a cloud-based server. The options would be to continue using state servers, obtain our own cloud-based servers, or to move our applications to our own internal server.

### **Decision Item #5 – Lobbying Program Revenue**

The Commission's staff positions are generally funded by a mix of GPR and Lobbying Program Revenue (from the fees lobbyists and principals pay). Aside from the small increase in the fees for principals when the Commission created the Assistant Administrator position, the fees that lobbyists and principals pay have remained largely stagnant. If the fees do not change, and assuming current

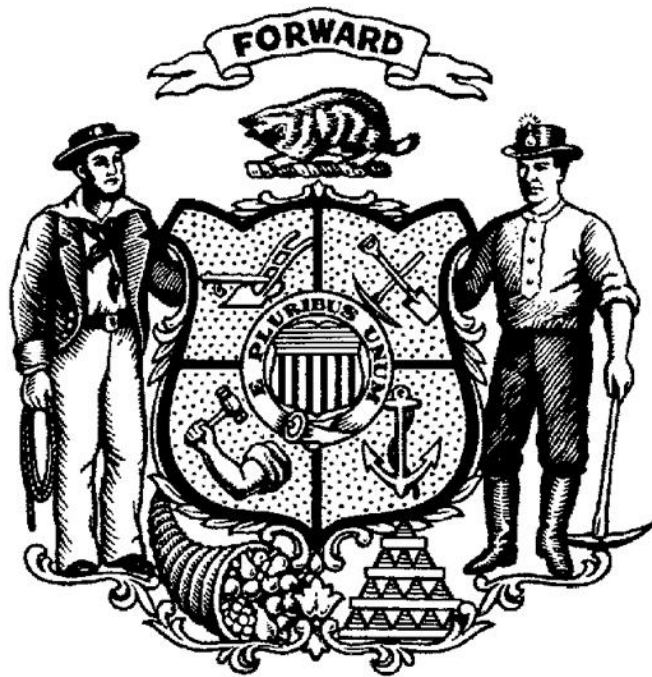
staffing levels, informal forecasting indicates that there will be insufficient Lobbying Program Revenue to support the staff in the next 3-6 years. With the additional staff needed to implement 2023 Act 126 next year, the Lobbying Program Revenue will not be available to offset some of those costs (nor should it because it is a campaign finance program obligation). Additionally, having Program Revenue support the staff that is regulating that small community creates the appearance of a conflict of interest. For these reasons, there needs to be a substantial change in the Lobbying Program Revenue structure.

Recommendation: Request that the costs supported by the Lobbying Program Revenue be appropriated out of GPR and end the appropriations for Lobbying Program Revenue. The Commission would still collect the statutory lobbying fees; however, those funds would be deposited into the General Purpose Revenue fund.

Attachment: 2023-25 Biennial Budget Request

# State of Wisconsin

## Ethics Commission



Agency Budget Request  
2023 – 2025 Biennium  
September 15, 2022

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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.

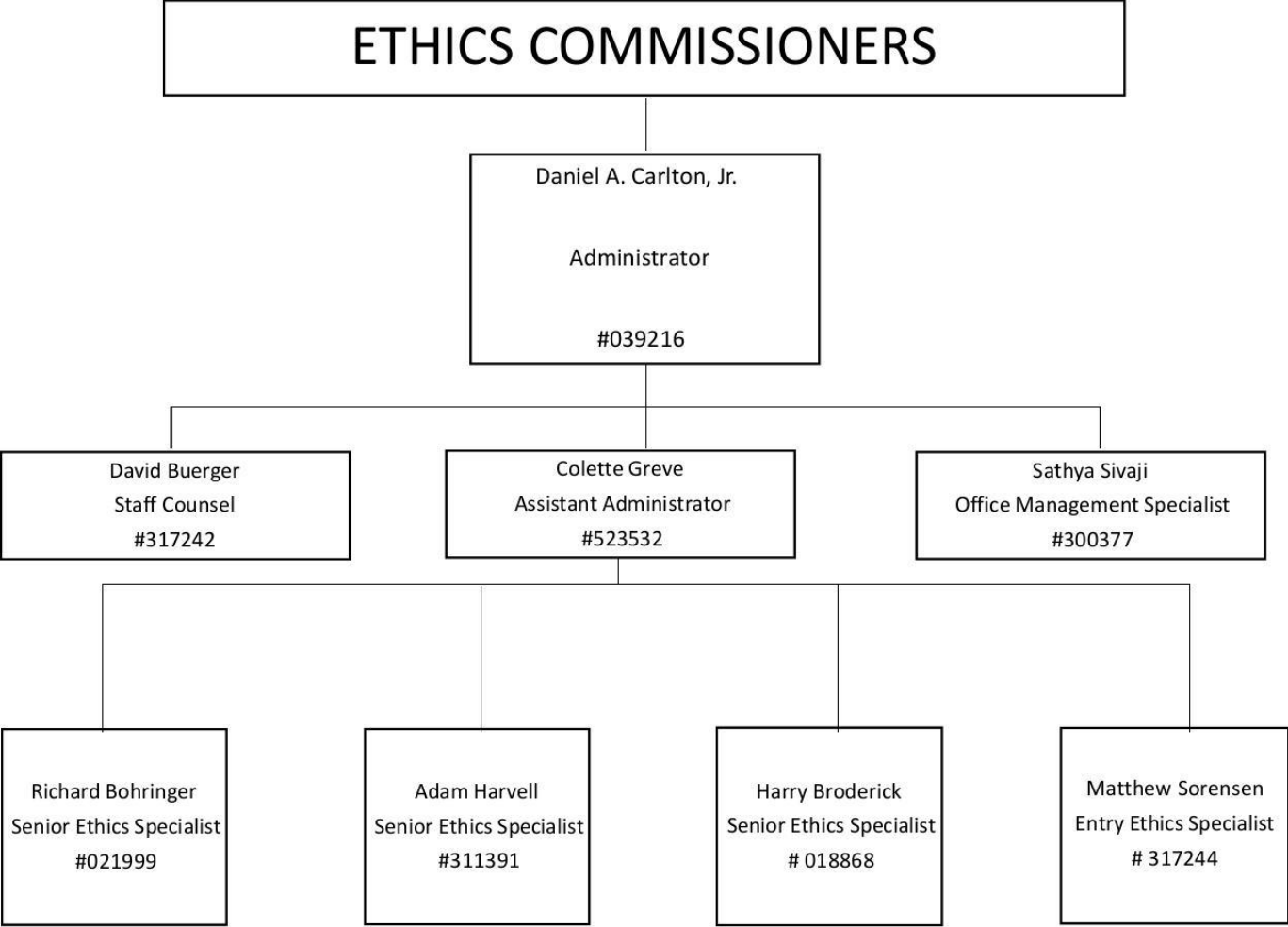
### 2023, 2024 AND 2025 GOALS

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) 0% Change Target	Proposed Budget 2023-24		Item Ref.	Change from Adj Base		(See Note 2) 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
521	1a	101	GPR	\$788,700.00	4.70	(39,400)	788,700	4.70		0	0.00	1,900	0.00	1,900	0.00
521	1be	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
521	1g	120	PR	\$31,700.00	0.00	(1,600)	31,700	0.00		0	0.00	0	0.00	0	0.00
521	1i	122	PR	\$4,500.00	0.00	(200)	2,000	0.00	2	(2,500)	0.00	0	0.00	(2,500)	0.00
521	1im	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.





# Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics  
101 E. 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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**DATE:** For the Commission Meeting on July 23, 2024

**TO:** Members, Wisconsin Ethics Commission

**FROM:** Ethics Commission Staff

**SUBJECT:** Ethics Commission Staff Report

## Commission Administration

### Trainings

Since the last staff report, Staff Counsel Buerger presented at WCCA's summer conference on June 24, 2024. The summer conference was held in Hayward and attended by several county clerks that were unable to attend the Commission's previous training in Madison.

Commission staff conducted a webinar for non-candidate committees on June 25, 2024, and a webinar for candidate committees on July 9, 2024. The trainings provided a general overview of reporting, campaign finance law, and Commission practices. The webinars had 132 and 146 attendees, respectively, and have been posted on the Commission's website.

Staff Counsel Buerger is also scheduled to present a training at the UW-Green Bay Clerks and Treasurers Institute on July 15, 2024. The Clerks and Treasurers Institute is commonly attended by hundreds of clerks from across the state and is part of a 3-year program focusing on the duties and responsibilities of serving as a clerk/treasurer in Wisconsin. Finally, Administrator Dan Carlton is scheduled to present at the Judicial College on August 20, 2024.

## Campaign Finance

All committees not claiming the exemption from filing campaign finance reports, as well as any state candidates running for election in 2024, are required to file a July Continuing 2024 campaign finance report. This report is due July 15, 2024. It covers all activity through June 30, 2024. Staff has sent reminders to 1,200 committees required to file. At the time of this memo, 343 committees have filed, with 857 still out with 5 days remaining to file.

In addition to the July reports, there is a special election in State Senate District 4. The candidates in the special election were required to file a Pre-Primary report on June 24, 2024. The candidates will also be required to file a Pre-Election for the Special Election by July 22, 2024, and a Post-Election report by September 13, 2024. These reports are also required for committees supporting or opposing these candidates.

All candidates for the Fall 2024 election, along with the committees supporting or opposing the candidates, will be required to file the following reports prior to the next meeting:

- Fall Pre-Primary 2024 report by August 5, 2024
- September Report 2024 by September 30, 2024

## **Lobbying**

### 2023-2024 Legislative Session

The Statements of Lobbying Activities and Expenditures (“SLAEs”) for January–June 2024 will be due on July 31, 2024. For this period, 674 licensed lobbyists will file 1,924 time reports on behalf of 862 principals. As of July 10, 2024, 54 SLAEs and 237 time reports have been filed.

Legislative liaison reports for 89 agencies will be due on July 31, 2024. As of July 10, 2024, 25 agencies have certified their list of legislative liaisons.

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

### Statements of Economic Interests (“SEIs”)

2,202 officials were required to file an annual SEI by April 30, 2024. All but 90 filed on time. As of July 10, 2024, 5 annual SEIs remain outstanding. The SEIs for candidates at the fall election were due on June 6, 2024. All candidates who submitted a sufficient number of nomination signatures filed their SEIs by the deadline.

### State of Wisconsin Investment Board Quarterly Reports

The 2024 second quarter reports covering April to June will be due on July 31, 2024. As of July 10, 2024, 20 out of the 60 filers have filed.