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Hon. William F. Lang (*Chair*)
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STATE ETHICS COMMISSION

FY26 Budget Request

Legislative Finance Committee, Subcommittee A

Jeremy Farris, Executive Director, State Ethics Commission

October 22, 2024, State Capitol, Room 322

1. What the State Ethics Commission does:

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

2. Commission achievements during FY24:

- **Governmental Conduct Act and Procurement Code enforcement.** Entered into several pre-litigation settlements with state and local government officials to enforce compliance with the Governmental Conduct Act and the Procurement Code including the Governor and local elected officials in Albuquerque, Taos Ski Valley, Lordsburg, Torrance County, Capitan, and Ruidoso. Filed suit against Mayor of Angel Fire and Village contractor to enforce the Procurement Code.
- **Campaign Reporting Act enforcement.** Entered into a pre-litigation settlement with New Mexico Values PAC to enforce registration and disclosure requirements for political committees. Filed suit and achieved a settlement with The New Mexico Project and Jeff Apodaca to enforce registration and disclosure requirements for political committees.
- **Financial Disclosure Act compliance.** Following referrals from the Secretary of State, achieved compliance with filing obligations for approximately 675 required filers in 2023 and 2024.
- **Administrative dockets.** Adjudicated 77 administrative complaints in FY24 (4 cases remain pending, either in pre-hearing motions practice or investigation) and, so far in FY25, received 40 additional administrative complaints. Adjudicated 16 administrative complaints filed against notaries during FY24.
- **Advisory opinions.** Issued 8 advisory opinions (available on www.NMOneSource.com) and 25 advisory letters in FY24. Provided over 20 continuing legal education and ethics trainings to audiences around New Mexico.

- **UNM School of Law.** Hosted a fifth class of law summer associates from UNMSOL.
- **Unmodified opinion.** All released auditor’s opinions have been unmodified.

3. Recent security situation:

- On September 5, 2024, Commission staff were the subject of a doxing video created and published by a self-proclaimed First Amendment auditor with over 500,000 followers. The video resulted in more than 1,000 hostile and threatening emails and phone calls directed to Commission staff, including death threats. This event was similar to what Bernalillo County election workers experienced in May.
- The Commission staff are working with FBI, USAO, GOV, DPS, NMSP, and UNM to establish a safer physical, working environment.

4. The Commission’s FY26 request:

- FY26 Section 4 request of \$1,980,100, consisting of \$1,975,100 from the general fund and \$5,000 in other state funds for revenue received from NM EDGE.
 - Personnel (200): request of \$1,607,800. Of this amount, \$1,462,300 is required to maintain current 10 FTE (assuming \$0 vacancy savings in FY26) and \$145,500 is requested for an additional 1 FTE, a mid-tier, classified attorney position.
 - Contracts (300): flat request of \$211,900.
 - Other Operating (400): request of \$160,400, marking a 3% increase over FY25 appropriation to cover increases in rent, legal subscriptions and DoIT increases.
- FY25-26 Special Appropriation request of \$275,000. “For operational costs associated with departmental personnel costs, contracts and security infrastructure upgrades, equipment, leases and training”
 - To ensure agency has funds to establish a safe working environment.
 - To ensure Commission can maintain personnel cost commitments and necessary staffing levels, even if not provided for by recurring Section 4 appropriations.

5. Considerations supporting the Commission’s FY26 request:

- The Commission has no staff vacancies and ordinarily does not accumulate vacancy savings to cover increased personnel costs. Assuming no vacancy savings in FY26 and absent more funding, the Commission will see a deficiency.
- The Commission files civil actions to enforce New Mexico’s ethics and disclosure statutes and handles all its affirmative litigation in-house--sometimes against well-funded defenses involving Washington DC law firms--preserving its contracts budget for contracts with paralegal contractors, IT-service providers, hearing officers, mediators, outside auditors, and special projects for training and education.