



## STATE ETHICS COMMISSION

### FY24 Budget Request Legislative Finance Committee, Subcommittee B

Jeremy Farris, State Ethics Commission Executive Director  
October 19, 2022, 1:15pm / State Capitol, Room 321

#### 1. [What the State Ethics Commission does:](#)

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

#### 2. [Commission achievements during FY22:](#)

- **Administrative dockets.** Adjudicated 44 administrative complaints in FY22 (9 cases remain pending, either in pre-hearing motions practice or investigation) and, so far in FY23, 13 additional complaints (10 of which remain pending). Adjudicated ~20 administrative complaints filed against notaries during 2022.
- **Advisory opinions.** Issued 10 advisory opinions (available on [www.NMOneSource.com](http://www.NMOneSource.com)) and 14 advisory letters in FY22. Provided over 20 continuing legal education and ethics trainings to audiences around New Mexico.
- **Enforcement and compliance.** Prevailed in a court challenge to the Commission's subpoena power; filed civil action to enforce New Mexico's revolving-door laws; achieved more than 95% in financial disclosure filings; required the Governor's candidate committee to pay \$4,200 excess contribution to the public election fund.
- **National recognition.** Received national recognition by the Campaign Legal Center as model agency among all state and local ethics agencies for transparency and use of technology.
- **Unmodified opinion.** Received an unmodified auditor's opinion confirming the Commission's fiscal health for FY21.

3. [The Commission requests a FY24 appropriation of \\$1,460,200:](#)
- **The Commission currently needs more classified service personnel**
  - The Commission seeks budget increases in the 200s for additional, classified service personnel and the 400s for associated costs of additional personnel (IT equipment, DoIT service costs, subscriptions and licenses) and UNM lease increases.
  - The requested FY24 appropriation would provide funding for **9 FTE**, allowing the Commission to fully fund the 8 FTE on its organizational listing (which the FY23 appropriation did not allow for), and to hire a State Investigator and a Financial Specialist to handle the agency’s administrative, SHARE FCM, and audit functions.
4. [Considerations supporting the Commission’s FY24 request:](#)
- The Commission has **no staff vacancies** and **requires additional classified service staff** to minimally satisfy its constitutional and statutory duties
  - As part of its core functions, the Commission handles intensive civil litigation and manages two separate administrative case dockets: one for ethics cases, the other for notary-public cases.
    - Respondents in Commission administrative cases are entitled to state-funded attorneys. Since the Commission’s inception, RMD has already paid hundreds of thousands outside counsel to defend respondents and, in only two cases, paid over \$83,000 in attorneys’ fees for respondents to challenge Commission subpoenas in court—challenges which the Commission prevailed on. Because the State pays for attorneys to represent respondents and to challenge the Commission’s subpoenas, the Commission should have commensurate and adequate staff to conduct investigations.
    - The Commission files civil actions to enforce New Mexico’s ethics and disclosure statutes; in dark-money-disclosure cases, defendants are often well-heeled and fund a litigated defense, hiring Washington DC law firms.
    - The Commission handles all its litigation in-house, preserving its contracts budget for contracts with paralegal contractors, IT-service providers, hearing officers, outside auditors, and special projects for training and education.
  - The Constitution requires the Commission to be **independent**; thus, the Commission is **not administratively attached** to any larger agency.
    - Commission staff must handle all administrative functions relating to human resources, budgeting, procurement, AR and AP, audit, financial statement, etc.
    - The Commission has grown to a point where it currently needs another member of the classified service to handle administrative, financial functions.