



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May, 2019

Joint Committee on Finance

Paper #300

Commissioner Per Diems (Ethics Commission)

[LFB 2019-21 Budget Summary: Page 129, #2]

CURRENT LAW

Under current law, the Ethics Commission is required to meet a minimum of four times per year, and participating commissioners are required to receive a per diem of \$115. Base funding for Ethics commissioner per diems is \$1,300 GPR.

GOVERNOR

Provide \$1,600 GPR annually to fund commissioners' per diems and associated federal payroll taxes.

DISCUSSION POINTS

1. Under current law, each of the six commissioners receives a per diem of \$115 for each day on which the member participates in a Commission meeting in person or by conference call. According to the Commission, each meeting lasts between six and eight hours. Ethics commissioners do not receive per diems for preparation time, but typically review over 200 pages of materials in advance of each meeting.

2. During 2017-19 budget deliberations, the Governor recommended reducing commissioner per diems from \$454 to \$50 per day. The Joint Committee on Finance and the Legislature modified the Governor's proposal to provide \$227 per day. The Governor's partial veto of 2017 Act 59 reduced the amount to \$27 per day and reduced funding for Ethics Commission per diems by \$9,600 GPR annually. Finally, under 2017 Act 120, the amount was increased to \$115 per day. Act 120 did not provide additional funding for commissioner per diems.

3. The Commission's annual per diem budget is \$1,300 GPR, which could fund fewer than two meetings per year. In addition, the Commission requires approximately \$50 per meeting for federal payroll taxes associated with per diem payments. Federal payroll tax payments for the Commission's current per diem budget are approximately \$100 per year. To fulfill current law requirements, the Commission would need an annual per diem budget of \$3,000, including associated taxes. The Governor recommends providing the difference between the cost for four meetings and the Commission's budget (\$1,600 annually). Given statutory requirements that the Commission meet four times per year and provide each participating commissioner a per diem of \$115, the Committee could approve the Governor's recommendation to fund the costs of four meetings per year. [Alternative 1]

4. The Commission is statutorily required to meet at least four times per year; however, the Commission has the discretion to meet more often. For example, the Commission met seven times in 2017 to facilitate the transition from the Government Accountability Board and 14 times in 2018 to address complaints and audits, issue advice, discuss its agency budget request, conduct 2018 election-related work, and hire a new administrator. In 2019 and 2020, the Commission plans to meet five times per year. According to the Commission, "in addition to the responsibilities relating to complaints, audits, and rendering advisory opinions, the Commission will need to do a substantial amount of rulemaking. The Commission is also in the process of reviewing prior advisory opinions and other documents to make sure that they are consistent with current law and have sufficient information to be helpful to the regulated community." Given the Commission's workload, the Committee could decide to provide \$2,400 GPR annually to support the costs of five meetings per year (an \$800 per year increase to the bill). [Alternative 2]

5. If no additional funding is provided, the Commission would be required to reallocate existing resources to support meeting per diems [Alternative 3]. Under this alternative, the Commission indicates it would pay for per diems by reallocating GPR funds intended to support information technology projects, such as server upgrades and updates to its lobbying and campaign finance website. Such a reallocation could have the effect of delaying some information technology activities.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$1,600 GPR annually to fund commissioners' per diems and associated federal payroll taxes, based on four meetings per year.

ALT 1	Change to	
	Base	Bill
GPR	\$3,200	\$0

2. Provide \$2,400 GPR annually to fund commissioners' per diems and associated federal payroll taxes, based on five meetings per year.

ALT 2	Change to	
	Base	Bill
GPR	\$4,800	\$1,600

3. Take no action.

ALT 3	Change to	
	Base	Bill
GPR	\$0	- \$3,200

Prepared by: Angela Miller