

Agency Name:	State Ethics Commission		
Agency Code:	R520	Section:	110



Fiscal Year FY 2026-2027

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-2027, my agency is (mark "X"):
<input type="checkbox"/>	Requesting General Fund Appropriations.
<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2026-2027, my agency is (mark "X"):
<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
<input checked="" type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS (FORM C)	For FY 2026-2027, my agency is (mark "X"):
<input type="checkbox"/>	Requesting funding for Capital Projects.
<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS (FORM D)	For FY 2026-2027, my agency is (mark "X"):
<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Ami R. Franklin	(803) 253-4192	ami@ethics.sc.gov
SECONDARY CONTACT:	Kristin S. Nabors	(803) 253-4192	kristin@ethics.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

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<u>BUDGET REQUESTS</u>			<u>FUNDING</u>				<u>FTES</u>					
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Authorization for Other Funds Increase	0	0	82,452	0	82,452	0.00	0.00	0.00	0.00	0.00
TOTALS			0	0	82,452	0	82,452	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
<p><i>Provide the Agency Priority Ranking from the Executive Summary.</i></p>	
TITLE	Authorization for Other Funds Increase
<p><i>Provide a brief, descriptive title for this request.</i></p>	
AMOUNT	General: \$0 Federal: \$0 Other: \$82,452 Total: \$82,452
<p><i>What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p>	
NEW POSITIONS	0.00
<p><i>Please provide the total number of new positions needed for this request.</i></p>	
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <p><input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input checked="" type="checkbox"/> IT Technology/Security related <input checked="" type="checkbox"/> HR/Personnel Related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #</p>
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	<p>Mark “X” for primary applicable Statewide Enterprise Strategic Objective:</p> <p><input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input checked="" type="checkbox"/> Public Infrastructure and Economic Development <input type="checkbox"/> Government and Citizens</p>
ACCOUNTABILITY OF FUNDS	<p>These funds would be used for the Administration program which relates to goals 1 - Government and Citizens, 2 - Education, Training, and Human Development and 3 - Maintaining Safety, Integrity and Security of the Strategic Plan in the agency Accountability Report.</p> <p>This request would advance the agency's Mission Statement which is "The State Ethics Commission will enforce laws in a fair and impartial manner that provides accountability to public officials, public members, and public employees as well as transparency to the people of South Carolina - who we all serve.".</p> <p><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p> <p>Funds will be used to cover salary increases and employee benefits changes given by</p>

RECIPIENTS OF FUNDS

the General Assembly for employees not paid with appropriated funds. They will also be used to pay vendors for other operating expenses.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

Currently, the State Ethics Commission (Commission) operates a budget of \$517,508 through earmarked funds, which are collected by the agency. With increases to other operating costs in previous years, it has become difficult to operate within the current budget. In FY2025, the State Ethics Commission had to utilize the BD100 process through the Executive Budget Office to cover the increases.

Due to the results of the Mercer Compensation Study, increases to the three FTE's compensated through earmarked funds will have to be solely covered by the agency. This would also apply to any salary increases given by the Legislature or insurance premium increases in the future.

JUSTIFICATION OF REQUEST

Beginning in FY26, Department of Administration's Division of Technology Operations (DTO) utilized by the State Ethics Commission, increased by 59.1%, which amounts to an increase of \$41,857.

In addition, the Insurance Reserve Fund increased rates on the following insurance lines for our agency: Data Processing (5% increase), Auto Liability (30%), Buildings and Personal Property (5%), and General Tort Liability (10%). The Commission also purchased \$35,000 in optional pre-paid legal services through the Insurance Reserve Fund due to litigation brought against the agency.

Funds will be expended through vendors for recurring costs which have increased in previous years, and authorization has not changed in over 15 years.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISO REVISION REQUEST

NUMBER	New 110 <i>Cite the proviso according to the renumbered list (or mark “NEW”).</i>
TITLE	Commissioners <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
BUDGET PROGRAM	Administration <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	NA <i>Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.</i>
REQUESTED ACTION	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	None <i>Which other agencies would be affected by the recommended action? How?</i>
SUMMARY & EXPLANATION	Due to commissioner recusals, the State Ethics Commission is unable to hold probable cause hearings on multiple complaints. The Commission finds it necessary to request this proviso so that staff can continue to enforce the Ethics, Government Accountability, and Campaign Reform Act.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

None

FISCAL IMPACT

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

110.3. (ETHICS: Commissioners) The Ethics Commission may utilize former commissioners as substitute commissioners for probable cause hearings and contested case hearings when the recusal of current commissioners renders the Commission unable to hear matters of probable cause or contested cases. The pool of substitute commissioners shall consist of all former commissioners appointed to the Commission pursuant to Section 8-13-310 of the South Carolina Code of Laws. The executive director shall choose substitute commissioners at random from the pool of former commissioners.

PROPOSED PROVISO TEXT

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Administration - Investigative Services
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AMOUNT	\$66,034
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Reduction of hours of an FTE, Investigator III
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	Program: Administration
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What programs or activities are supported by the General Funds identified?

SUMMARY	The State Ethics Commission is a small agency (consisting of 23 FTE's and 2 PTE's) that is able to serve South Carolinians because each employee has a multitude of responsibilities and are cross trained in the various functions of the agency. Any reduction in budget and/or staff would render this agency virtually unable to adequately perform its mission of enforcing the Ethics Reform Act.
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

The reduction in hours of one FTE, Investigator III position would be a cost savings of approximately \$66,034 (salary & benefits).

AGENCY COST SAVINGS PLANS

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	<p>Education/Training for Public Employees, Public Officeholders and Public Members</p> <p><i>Provide a brief, descriptive title for this request.</i></p>								
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>The expected savings to South Carolina's businesses and citizens should vary each year.</p> <p>Commission expects savings due to increased training opportunities for Public Employees, Public Officeholders, and Public Members which should result in a reduction in late filing penalties assessed and collected. Commission conducts training sessions throughout the year and training is offered to all newly elected officials after each election. A training video was filmed in 2024 and is available on the Commission's YouTube page.</p> <p>These measures should reduce the number of late filing penalties assessed and collected.</p> <p><i>What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.</i></p>								
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="width: 85%; padding: 2px;">Repeal or revision of regulations.</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> <td style="padding: 2px;">Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="padding: 2px;">Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="padding: 2px;">Other</td> </tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input type="checkbox"/>	Other
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<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input type="checkbox"/>	Other								
METHOD OF CALCULATION	<p>Reduction in the number of cases x the average cost of enforcement.</p> <p><i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i></p>								
REDUCTION OF FEES OR FINES	<p>The Commission does not plan to reduce fees or fines. The hope is that with more training opportunities, individuals governed by the Commission will comply with the Ethics Act thereby reducing the number of late filing penalties issued each year.</p> <p><i>Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?</i></p>								
REDUCTION OF REGULATION	<p>N/A</p> <p><i>Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?</i></p>								
	<p>Commission expects savings due to increased training opportunities for Public Employees, Public Officeholders, and Public Members which should result in a reduction in late filing penalties assessed and collected.</p> <p>This should increase the number of timely filed forms that the public can immediately access before filing deadlines resulting in more efficient transparency.</p>								

SUMMARY

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?