



OKLAHOMA
Ethics Commission

Oklahoma Ethics Commission

FY 2027 Budget Hearing Presentation

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OKLAHOMA
Ethics Commission



The **Oklahoma Ethics Commission**, created in Article 29 of Oklahoma's Constitution, has the following constitutional responsibilities:

- Enact Ethics Laws for Campaigns for State Office, State Employees/Officers, State Initiative & Referenda;
- Investigate and prosecute violations of Ethics Rules; and
- Interpret Ethics Rules thru Binding Advisory Opinions, as necessary.

Founded in 1990, this agency now encompasses the following divisions: Administrative Operations; Information Services; and Political Subdivision Enforcement. The Ethics Commission also oversees limited regulatory authority for political subdivision campaigns and financial disclosures, including counties, certain municipalities, and independent school and technology center districts.



Vision, Mission and Core Values

Vision: The Commission endeavors to increase the trust of citizens in their government by enacting and enforcing Rules that avoid conflicts between state officers and employees public duties and private economic interests, as well as ensuring fair and transparent campaigns for an informed citizenry.

Mission: The Oklahoma Ethics Commission is required to enact Ethics Rules of conduct for state officers, state employees, campaigns for elective state office, and campaigns for initiatives and referenda, including civil penalties for violations of the Rules. The Commission may also offer binding interpretations of its Rules. The Commission is required to investigate alleged violations of its Rules which it may prosecute in District Court or settle. The Commission has limited jurisdiction over conduct of campaigns and financial disclosure at the political subdivision level.

Core Values: The Commission strives to be a service-oriented Commission through responsive communications and providing transparency in state campaigns and state government to the regulated community, media, and citizens by providing fair Rules, immediate access to reports filed with the Commission, tailoring enforcement to the situations presented, interpreting Rules as necessary, and providing opportunities for education on the Ethics Rules as resources allow.



Accomplishments

Top accomplishments for FY 2025 – FY 2026



1. Expanded Compliance Training & Outreach

- Delivered a **92% increase in educational opportunities**, including expanded virtual training statewide.
- Enhanced online guidance through updated FAQs, clearer instructional materials, and timely Advisory Opinions.
- Resulted in **measurable compliance gains**, including a **25% reduction in administrative fines** and a **49% decrease in complaints and investigations**.

2. Advanced Political Subdivision Engagement

- Prepared a **statewide informational campaign launching January 2026** to support political subdivision compliance.
- Partnered with the Oklahoma Municipal League (OML) and Oklahoma State School Boards Association (OSSBA) to reach local officials through trusted channels.
- Engaged municipal and school district filers early to encourage participation, improve understanding, and support a smooth transition into reporting requirements.

3. Established Ethics Commission Advisory Group

- Created a formal advisory group to strengthen engagement with the regulated community and stakeholders most impacted by Commission decisions.
- Provides structured feedback on **rule review, strategic planning, policy considerations, and system usability**.
- Enhances transparency, informed governance, and public trust through ongoing stakeholder input.

*These accomplishments reflect the Commission's focus on education-first compliance, responsible oversight, and measurable results.



Analysis of Agency Challenges

	Challenge Description	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
1	Political Subdivision Inclusion & Implementation	<ul style="list-style-type: none"> ➤ Preparing a statewide informational campaign targeted for January 2026 to ensure political subdivisions understand upcoming reporting requirements and available resources. ➤ Collaborating with key partners, including the Oklahoma Municipal League (OML) and the Oklahoma State School Boards Association (OSSBA), to reach local officials and staff through trusted channels. ➤ Engaging local filers early to encourage awareness, preparedness, and voluntary participation ahead of expanded reporting access. ➤ Developing education and outreach materials tailored specifically to municipal and school district audiences. 	<ul style="list-style-type: none"> ➤ Rolling out registration and reporting access for political subdivisions through the Commission’s reporting system, consistent with Commission direction and system readiness. ➤ Expanding training opportunities, including live sessions, recorded materials, and written guidance tailored to political subdivision reporting needs. ➤ Continuing direct engagement with municipal and school district stakeholders to address questions, provide technical assistance, and support accurate reporting. ➤ Monitoring participation and compliance trends to inform future education, enforcement, and support strategies.
2	Technology Modernization Risk & System Readiness	<ul style="list-style-type: none"> ➤ Maintaining continuity of core constitutional functions, including campaign-finance filing, public disclosure, and enforcement authority, through existing systems and interim procedures, as necessary. ➤ Exercising Commission-level oversight of technology transition activities, including evaluation of system readiness, contractual performance, and associated risks. ➤ Preserving and securing campaign-finance data, with an emphasis on data integrity, confidentiality, and public access. ➤ Engaging in contingency planning to ensure uninterrupted service to filers and the public during periods of system transition. ➤ Providing ongoing guidance and communication to filers to reduce compliance risk during operational changes. 	<ul style="list-style-type: none"> ➤ Evaluating and selecting appropriate technology solutions that meet contractual, security, and performance standards established by the Commission. ➤ Strengthening governance controls for future technology projects, including clearer milestone definitions, readiness benchmarks, and oversight checkpoints. ➤ Ensuring any future system implementation is preceded by comprehensive testing, validation, and security review before public deployment. ➤ Aligning system capabilities with policy initiatives, such as risk-based audits, diversion programs, and political subdivision integration, only after data integrity can be assured. ➤ Continuing transparent reporting to Commissioners, legislators, and the public regarding progress, challenges, and decision-making.



Analysis of Agency Challenges

	Challenge Description	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
3	Sequencing of Data-Dependent Enforcement & Compliance Initiatives	<ul style="list-style-type: none"> ➤ Developing policy frameworks for risk-based audit selection, including criteria that balance deterrence, fairness, and proportionality. ➤ Refining diversion and corrective-action eligibility standards to promote education and timely compliance, particularly for first-time or low-risk violations. ➤ Evaluating enforcement workflows to ensure consistent treatment of filers and alignment with Commission priorities. ➤ Intentionally sequencing implementation of automated or data-dependent tools to system readiness, rather than forcing incomplete or unreliable processes. ➤ Continuing enforcement, complaint intake, and education activities through existing procedures to ensure uninterrupted oversight and accountability. 	<ul style="list-style-type: none"> ➤ Implementing risk-based audit and review processes using validated data to improve efficiency, consistency, and deterrence. ➤ Launching automated compliance and notification tools designed to reduce unintentional violations and improve filer awareness. ➤ Expanding diversion and corrective-action programs with consistent application and reliable tracking of outcomes. ➤ Integrating data-driven tools into enforcement workflows in a manner that preserves due process and proportionality. ➤ Monitoring and evaluating outcomes to ensure initiatives improve compliance while maintaining public trust.
4	Maintaining Public Trust During Operational Transition	<ul style="list-style-type: none"> ➤ Maintaining uninterrupted access to campaign-finance filing and public disclosure to ensure transparency and continuity of service. ➤ Expanding education, guidance, and stakeholder engagement to support filers, candidates, and regulated entities during system transition. ➤ Using Commission-adopted performance measures focused on governance, continuity, and stewardship to guide oversight and decision-making. ➤ Operating within appropriated budgets while exercising fiscal controls to ensure responsible use of public resources. ➤ Continuing transparent reporting to Commissioners, legislators, and the public regarding operations, challenges, and progress. 	<ul style="list-style-type: none"> ➤ Sustaining continuity of filing and disclosure as system transition and modernization efforts progress. ➤ Further expanding education and outreach efforts, including updated guidance and training resources tailored to evolving needs. ➤ Refining and applying performance measures to evaluate outcomes and inform future Commission decisions. ➤ Continuing disciplined fiscal management to support enforcement, education, and technology transition priorities. ➤ Maintaining clear and transparent communication with Commissioners, legislators, stakeholders, and the public as conditions evolve.



Savings & Efficiencies (Current or Planned)



Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2025 (Actual \$ Savings)	FY 2026 (Projected \$ Savings)	FY 2027 (Projected \$ Savings)
Digitization of Storage Files	Utilized funding to scan and store all documents stored in Dept of Libraries Warehouse		<i>n/a</i>	\$2,000	\$2,000
Guardian Fees	OEC to utilize fees received from Filer Registration for licensing fees for system costs		<i>n/a</i>	<i>n/a</i>	\$70,000
Reduced Turnover	Implemented career path for compliance team	Reduction from 33% to 0%	<i>n/a</i>	\$63,360	\$63,360
Reduction of Professional Services	Reduced anticipated legal fees and other professional services		\$48,000	\$7,000	\$7000

* Hours, FTE, square feet, etc.



Goals and Key Performance Metrics

Goal		Metric	FY 25 Target	FY 25 Actuals	FY 26 Target
1	Accountability, Performance, & Governance Focus: Ensuring the Commission operates as a high-performing, accountable agency.	Performance Measure Completion: Strategic Initiative Completion Rate – Number of strategic initiatives reaching an approved milestone/total initiatives scheduled for the year	>80% of scheduled initiatives reach scheduled milestone	70%	80%
2	Build Internal Capacity & Organizational Excellence Focus: Staff development, governance, internal systems, and operational stability.	Retention/Stability Rate: Annual staff turnover rate and budget variance from appropriation.	Turnover < 18%; budget variance within 3%	18%/3%	18%/3%
3	Strengthen Compliance, Oversight & Enforcement Focus: Ensuring accurate disclosures, preventing violations, and maintaining accountability.	On-Time Filing Compliance Rate: Percentage of complaints and reports triaged within 5 business days of receipt.	>90%	90%	95%
4	Strengthen Compliance, Oversight & Enforcement Focus: (Same as above)	Corrective/Diversion Resolution Rate: Matters resolved through diversion or corrective action/total matters resolved.	45-60%	49%	55%
5	Modernize Systems & Enhance Access Focus: Technology modernization, system reliability, and user experience (especially relevant to Guardian).	System Continuity Assurance: Percentage of required constitutional functions maintained through interim systems or procedures.	100% continuity	100%	80%
6	Promote Public Trust & Transparency Focus: Increasing clarity, openness, and confidence in OEC processes.	Education and Transition Support: Number of trainings, guidance releases, and stakeholder updates related to system transition and filer compliance	>15-20 outputs annually	15	20



Projects for FY 2026

These projects emphasize phased implementation, education-first compliance, and measurable accountability—while maintaining continuity of core ethics oversight functions.

Statewide Onboarding of Political Subdivisions

- Advance **full onboarding of political subdivisions** to strengthen transparency and accountability statewide.
- Prioritize, assess, and support **key regional and local contacts** as political subdivisions prepare for mandatory reporting in **FY 2026**.
- Implement a **statewide rollout plan** featuring:
 - Extensive **training opportunities** (virtual and in-person, as requested)
 - Expanded **guidance and educational resources** tailored to local officials
- Utilize a **staggered 1–2 year soft-implementation approach** to support readiness and consistency.
- Target **100% inclusion**, with **annual improvements in compliance rates** as training and support are deployed statewide.

Implementation of the Diversion Program

- Advance **full-scale implementation of the Diversion Program**, focused on education and corrective action rather than penalties.
- Prioritize **first-time offenders and other low-risk categories** to reduce unnecessary compliance fees and fines.
- Transition diversion processes from manual workflows to **system-supported notifications and tracking**, once system dependencies are resolved.
- **Maintain completion records and performance data** to evaluate effectiveness, consistency, and compliance outcomes.
- Strengthen a **proactive, education-first compliance model** that reduces repeat violations and improves filer understanding.



Projects for FY 2027

Priorities emphasize sustainability—using integrated reporting and targeted resources to strengthen long-term compliance and transparency at the local level. These goals also ensure the foundation is stable—so education, enforcement, and transparency initiatives can be deployed responsibly and sustainably.

Expansion of Resources Through Political Subdivision Integration

- Leverage resources generated from political subdivision registrations to expand the Commission’s **training, education, and compliance capacity**.
- Complete **full integration of political subdivision filers** into the Commission’s reporting system, enabling transition from onboarding and education to **active compliance monitoring and enforcement**.
- Utilize a **unified reporting platform** to:
 - Improve consistency in filing and review
 - Strengthen transparency across local government entities statewide
- Shift Commission focus toward **data-informed compliance oversight**, while maintaining education and support for local officials.
- Expect **continued improvement in compliance rates** and more timely, accurate public disclosure across political subdivisions.

Stabilization and Reliability of Campaign-Finance Filing Platform

- Prioritize **stabilization, reliability, and performance** of the Commission’s campaign-finance filing and disclosure platform to ensure uninterrupted access for filers and the public.
- Establish and apply **system readiness benchmarks**, including data integrity, security, and performance standards, before advancing additional automation or enforcement features.
- Focus on **core filing and disclosure functionality**, ensuring accuracy, availability, and consistency across reporting cycles.
- Strengthen **operational resilience**, including backup, continuity, and support processes to reduce filer disruption.
- Use lessons learned from prior system development efforts to **inform governance, oversight, and future technology decisions**.



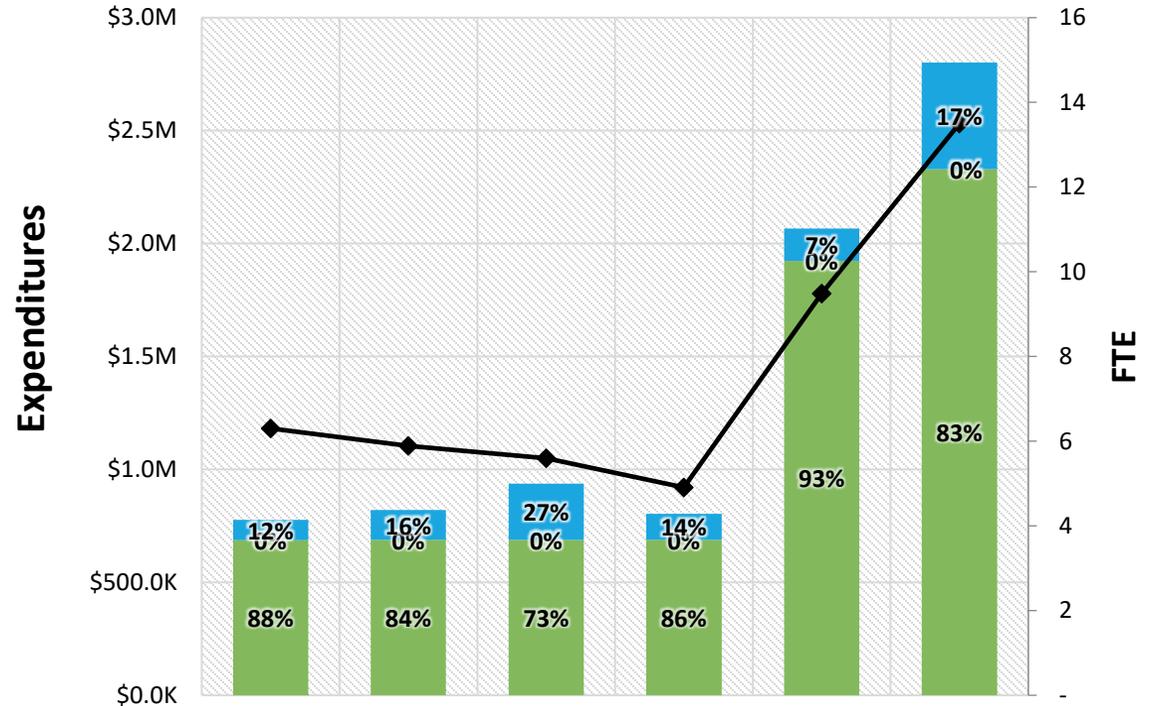
Total Historic Actual Expenditures (FY 2021-25) & Current Year Budget (FY 2026)

Explanation of Changes & Trends

The Commission operated within its appropriated budget and maintained fiscal controls throughout a period of significant operational transition. Expenditures reflected the agency's constitutional responsibilities, including personnel dedicated to compliance, political subdivision enforcement, technology modernization, and public education.



Historic Actual Expenditures and Current Year Budget



Appropriated	\$687.4K	\$688.0K	\$688.0K	\$688.0K	\$1.9M	\$2.3M
Revolving	\$89.5K	\$131.7K	\$248.6K	\$115.6K	\$142.4K	\$471.7K
Federal	\$0.0K	\$0.0K	\$0.0K	\$0.0K	\$0.0K	\$0.0K
Total	\$776.9K	\$819.6K	\$936.5K	\$803.5K	\$2.1M	\$2.8M
FTE	6	6	6	5	9	14



Estimated Impact of Federal Funding Changes

<i>Program Name</i>	<i>Federal Agency</i>	<i>Description of expected change (s) (i.e. change in state match, admin costs, program requirements or client eligibility, etc.)</i>	<i>Actual FY 25 Total Federal Funding Received (\$)</i>	<i>Projected FY 26 Total Federal Funding To Be Received (\$)</i>	<i>Estimated FY 27 Total Federal Funding To Be Received (\$)</i>
N/A			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

** Only list programs with federal funding that are expected to change. Refer to the agency's Federal Funds Schedule in the Budget Request document.*



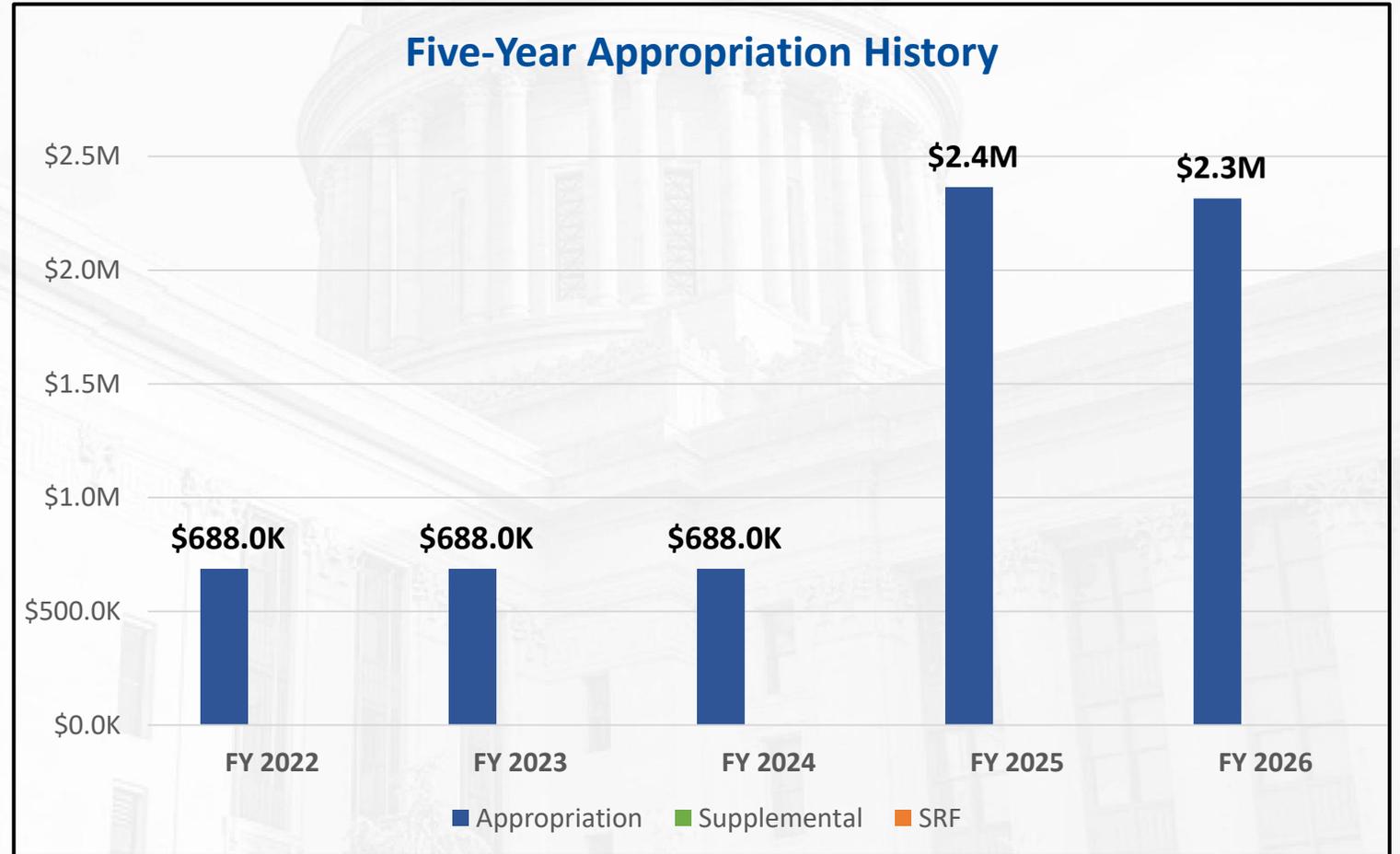


FY 2026 Budgeted Full Time Equivalents (FTE)

	FY 2026 Budgeted FTE
Total FTE	13.5
Supervisor FTE	4
Supervisors to Total FTE Ratio (%)	29.6%
Current Budgeted but Unfilled FTE	2.5

Appropriation History

Fiscal Year	Legislated Appropriation (\$) <i>(Includes supplementals and SRF/ARPA.)</i>
FY 2022	687,957
FY 2023	687,957
FY 2024	687,957
FY 2025	2,364,630
FY 2026	2,314,630



**Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*



Financial Resource Analysis

Carryover	FY 2022	FY 2023	FY 2024	FY 2025
Total appropriated carryover amount expended (\$) *Agency not allowed carry-over of appropriations	\$0	\$0	\$0	\$0

Historical Cash Balances	FY 2022	FY 2023	FY 2024	FY 2025
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$585,457	\$608,317	\$796,858	\$1,763,739

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2026 year-end cash balance (\$)
#20000	Ethics Revolving Fund	\$671,140	\$751,692
#21000	Political Subdivision Enforcement Fund	\$244,395	\$0
#21100	Ethics Commission Online Filing Revolving	\$358,921	\$705,079
#21200	Ethics Commission Filing System Replacement	\$1,394,485	\$641,970
	Total Unrestricted Revolving Fund Cash balance:	\$2,668,941	\$2,098,741



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2024 – 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2024</i>	<i>Amount FY 2025</i>	<i>Total amount received FY 2024 - 25</i>	<i>Total amount expended by 11/1/2025</i>	<i>Included in FY 2026 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
Guardian System Replacement	\$	\$1,200,000	\$1,200,000	\$758,885	yes	These funds were moved to revolving fund 212.
Funding Restoration	\$	\$149,273	\$149,273	\$149,273	yes	
Political Subdivision	\$	\$150,000	\$150,000	\$0	yes	Funds were realigned to Revolving Fund 210 to support phased implementation of Political Subdivision enforcement activities beginning in FY 2026.
Director of Compliance & Compliance Officer	\$	\$177,400	\$177,400	\$177,400	yes	
Totals	\$	\$1,676,673	\$1,676,673	\$		





FY 2026 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2027 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Political Subdivision Compliance	\$300,000	Yes	Yes	
Guardian 2.0 Implementation	\$1,200,000	No		One-Time Funding Request
Total adjustment	-\$900,000			



Incremental & Supplemental Request Summary

Request Name		FY 2027 Incremental Appropriation Request Amount (\$) {or FY 2026 for Supplementals}	Type of Request: Recurring, One-time, or Supplemental
1	N/A	\$	
2			
3			
4			
5			





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Appendix

Guardian Replacement

Ethics Commission Actions to Preserve Campaign Finance Transparency

➤ Notification & Stabilization Early Awareness & Continuity

- Legacy vendor notified Commission in Fall 2023 that System support and access would end in Summer 2024
- System replacement project initiated with defined contractual milestones
- Commission proactively directed multiple extensions of the legacy system to preserve public access

➤ Protect the Public Transparency Never Ceased

- Beta access restricted to functions that met legal and data-accuracy standards
- No penalties imposed for filings affected by system availability
- Campaign Finance Records provided upon request

➤ Escalation & Validation Oversight & Accountability

- Vendor repeatedly missed contractual deliverables and “Go-Live” commitments
- Formal written warnings issued and contractual remedies pursued
- Commission engaged OMES for independent technical assessment

➤ Decide & Act Responsible Stewardship

- Determined vendor unable to deliver a timely, complaint system
- Commission independently pursued interim solutions
- Restored legacy Guardian system (under new leadership) to immediately resume lawful filing and public access



Guardian Replacement



Total Appropriation for Replacement of Guardian System: \$2,200,000

FY25	\$1,200,000
FY26	\$1,000,000

Total Spent on Guardian 2.0

\$960,000

Project Expenses

Description of Deliverable	Amount Paid
Deliverable # 1 - Project Kick-Off	\$55,000.00
Deliverable # 2 - Requirements Sign-Off	\$220,000.00
Deliverable #3 - Design Sign-Off	\$220,000.00
Deliverable #4 - Start of UAT 65% Complete	\$178,750.00
Deliverable #6 - Data Conversion-65% Complete	\$153,066.50
Third-party services & Software License Costs - includes BreachLock Penetration Test: \$7,717.26	\$25,913.88
Total Paid to RFD and Associates, LLC.	\$852,730.38



Description	Total Paid to Maxim
Project Management Services	\$99,875



Description	Total Paid to OMES
Power BI	\$4,075.90

*Figures as of January 1, 2026

