

LEONARD B. AUSTIN
CHAIR

AVA AYERS
VICE-CHAIR

DOLLY CARABALLO
JAMES W. CARAS
MICHAEL A. CARDOZO
CLAUDIA L. EDWARDS
NANCY G. GROENWEGEN
SEYMOUR W. JAMES, JR.
MEMBERS



540 BROADWAY
ALBANY, NEW YORK 12207
ethics.ny.gov

SANFORD N. BERLAND
EXECUTIVE DIRECTOR

PHONE: (518) 408-3976
FAX: (518) 408-3975
ethics@ethics.ny.gov

February 13, 2025

Honorable Liz Krueger
Chair, Senate Finance Committee
financechair@nyenate.gov

Honorable J. Gary Pretlow
Chair, Assembly Standing Committee on Ways and Means
wamchair@nyassembly.gov

Dear Chair Krueger and Chair Pretlow:

On behalf of the New York State Commission on Ethics and Lobbying in Government ("COELIG"), enclosed is our Fiscal Year 2025-2026 written budget testimony.

COELIG's management team has worked diligently to meet the agency's statutory mandates with available resources, and it will continue to do so to the best of its ability, while at the same time recognizing that robust resources are needed to meet our agency's statutory mandates.

In support of the State's commitment to controlling spending and achieving greater efficiency in government, as well as to restoring the public's faith in the integrity of our State government and ensuring strict compliance with the State's ethics and lobbying laws and regulations, COELIG submits a budget request of \$8,910,300 for Fiscal Year 2025-2026. This request assumes necessary growth over the agency's appropriation for Fiscal Year 2024-2025 while also implementing the legislative mandate to our agency, embodied in the Ethics Commission Reform Act of 2022, substantially to maintain and strengthen its capacity and capabilities in several crucial areas, including investigations and enforcement, lobbying regulation, mandatory workforce-wide ethics training, and guidance.

It is critical to our agency that it have the financial resources and staffing necessary to meeting that legislative mandate and to carrying out its mission to restore public confidence in our State's government.

Very truly yours,

Sanford N. Berland
Executive Director

Restoring public trust in state government

LEONARD B. AUSTIN
CHAIR

AVA AYERS
VICE-CHAIR

DOLLY CARABALLO
JAMES W. CARAS
MICHAEL A. CARDOZO
CLAUDIA L. EDWARDS
NANCY G. GROENWEGEN
SEYMOUR W. JAMES, JR.
MEMBERS



540 BROADWAY
ALBANY, NEW YORK 12207
ethics.ny.gov

SANFORD N. BERLAND
EXECUTIVE DIRECTOR

PHONE: (518) 408-3976
FAX: (518) 408-3975
ethics@ethics.ny.gov

WRITTEN TESTIMONY OF SANFORD N. BERLAND, EXECUTIVE DIRECTOR
COMMISSION ON ETHICS AND LOBBYING IN GOVERNMENT

NEW YORK STATE JOINT LEGISLATIVE BUDGET HEARING
2025-2026 EXECUTIVE BUDGET PROPOSAL

PUBLIC PROTECTION

February 13, 2025

Thank you for the opportunity to submit this testimony on behalf of the Commission on Ethics and Lobbying in Government (COELIG, or “the Commission”) and to emphasize the necessity of providing the Commission with a budgetary appropriation for Fiscal Year 2025-2026 that will enable it to perform its critical governmental functions and to fulfill its salutary and essential legislative mandate: to restore public confidence that our state’s government is, indeed, working in the public’s interest. We believe that the essentially flat appropriation set forth in the Executive Budget for the Commission – \$8,316,000¹ – is inadequate to meet the Commission’s minimum needs for the coming year and request that the final budget provide the full amount request by COELIG in its budget submission, \$8,910,300, which is attached.

Without the full requested appropriation, the Commission will be unable fully to perform its duties with the thoroughness and speed that its legislative mandate demands. The lack of adequate funding will come at the detriment of public confidence that state government is indeed committed to ensuring that government is working in the public interest. While complications

¹ Note that according to the Governor’s proposal, \$250,000 of this amount is to be available to pay liabilities incurred by the Joint Commission on Public Ethics, the predecessor to the Commission. Net of that amount, the appropriation proposed by the Governor for 2025-2026 is identical to COELIG’s FY 2024-2025 appropriation.

beyond the Commission's control and unrelated to its work have up to now impeded the Commission's ability to complete its staffing plan, those factors (specifically the consequences of litigation over the Commission's structure and composition brought by the former Governor within a year of ECRA's enactment and before the Commission was a year old) will soon reach final resolution, whether by judicial fiat or legislative action, or both. The Commission, whether in its current form or in some modified iteration, will then be enabled to fulfill all of its responsibilities, and will need - and will have the capacity to hire - the full complement of personnel called for by its staffing plan. In order to have that capacity, the Commission requires a personal services appropriation for fiscal year 2025-2026 of \$7,686,000, as stated in its budget request.

Background. The Commission is the product of the Ethics Commission Reform Act of 2022 (ECRA) (L. 2022, Ch. 56, Part QQ) and replaced the former Joint Commission on Public Ethics (JCOPE). The Commission statutorily came into being on July 8, 2022, but did not have a bare quorum of formally approved and appointed Commissioners for several months, holding its first meeting on September 12, 2022. Commissioners and staff immediately set about building an agency within the framework dictated by ECRA, with the robust capabilities essential to meeting the ambitious goals and objectives established by that statute.

Among other things, the statute's goals and objectives include substantially strengthening the Commission's capacity and capabilities in its most crucial areas of jurisdiction, including investigations and enforcement, lobbying regulation and oversight, and state official, workforce and lobbying guidance and supervision as well as overseeing and administering an unprecedented and nationally unique program of ethics training for the state's entire executive branch workforce – encompassing over 300,000 individuals – and for virtually all lobbyists and lobbying clients in the state. It should be particularly noted that this expanded training mandate alone, which is dictated by Section 94(8) of the Executive Law, represents a more than ten-fold increase in the number of affected state officers and employees, and more than thirty times as many trainings, over the triennial ethics training program administered under prior law by JCOPE for policymakers and high earners. Moreover, unique among the state's lineage of ethics and lobbying regulatory agencies, COELIG is now subject to the state's Freedom of Information Law and Open Meetings Law ("FOIL" and "OML," Articles 6 and 7 of the Executive Law), transparency innovations that have been welcome but also costly from the perspective of agency resource consumption.

Adequate funding of the Commission's varied and complex operations is essential for the Commission to carry out its duties with the thoroughness and zeal our mission demands and to avoid the delays, limitations, backlogs, and systemic frustrations that bedeviled our predecessor, not only in the handling of investigative and enforcement matters, but also in the processing and review of the many tens of thousands – collectively, more than one hundred thousand – financial disclosure statements and lobbying registrations, reports, and amendments that the Public Officers Law and the Lobbying Act require the state's ethics and lobbying agency to review every year and which are indispensable to our state's system of ethical transparency and compliance. In recognition of the need to ensure adequate funding and to supply COELIG with the means to meet its substantially expanded responsibilities, ECRA called for a substantial and necessary increase in the Commission's funding over that of its predecessor in Fiscal Year 2021-2022, and the Governor and Legislature followed suit in the two subsequent fiscal years. While those increases were appreciable, they were not lavish or excessive and represented amounts the Commission expected it would require on an annual basis to fulfill its many responsibilities, conduct its varied and demanding functions, and fulfill its ambitious but essential mission: to restore the public's trust in their state government by holding every person who works for that government, regardless of position or office, and those who seek to influence it, to the highest levels of ethics and accountability.

The *Cuomo* litigation and its impact on the Commission. In April 2023, barely seven months after the first COELIG commission meeting, former Governor Andrew Cuomo filed a civil action in state Supreme Court, Albany County, seeking an injunction to prevent the Commission from moving forward with an enforcement proceeding against him and a declaration that the Commission's structure contravenes separation of powers principles in violation of the state constitution. In a decision and order dated September 11, 2023, Supreme Court granted the former Governor's motion and entered a preliminary injunction effectively prohibiting the Commission from exercising its investigative and enforcement functions and any related powers. The Commission moved for, and the Appellate Division, Third Department granted a partial stay of the preliminary injunction. On May 9, 2024, the Appellate Division affirmed Supreme Court's order but subsequently granted the Commission permission to appeal its ruling to the Court of Appeals. The Commission's appeal was argued in the Court of Appeals on January 7, 2025; a decision is expected imminently. *See Cuomo v. New York State Commission*, 76 Misc. 3d 1036

(Sup. Ct. Albany County, September 11, 2023), *aff'd*, 228 AD23d 175 (3d Dep't, May 9, 2024), *lv. to appeal to New York Court of Appeals granted* (3d Dep't June 5, 2024), *appeal pending* (New York Court of Appeals, argued January 7, 2025).

By virtue of a partial stay granted by the Appellate Division, Third Department, it has been possible for the Commission to avert some of the most dire operational consequences of the preliminary injunction in the *Cuomo* action. Thus, and as detailed below, the Commission has been able to oversee ethics training for hundreds of thousands of state employees, provide advice and guidance to the entire executive branch workforce, process and make available to the public tens of thousands of lobbying filings and financial disclosure statements, conduct audits and targeted and random reviews of several thousand of those filings, and investigate scores of complaints, referrals, and self-initiated matters involving potential violations of the Lobbying Act, the Little Hatch Act, and Sections 73, 73-a and 74 of the Public Officers Law.

There are two things, however, that the Commission has not been able to do. First, because of the readiness of Supreme Court to apply its *Cuomo* holding to other enforcement matters, *see, e.g., Klein v. New York State Commission*, Index No. 905075 (Supreme Court, Albany County, June 7, 2024) (granting temporary restraining order), it has been unable to prosecute enforcement matters through to hearing and the possible imposition of penalties. Second, because of the cloud of uncertainty cast by the pending litigation, compounded by the overall difficulty government agencies are now facing in attracting qualified applicants, it has been frustrated in its efforts to complete its staffing plan, leaving a number of key positions vacant. While this has made it possible to stay within budget in the current fiscal year by enabling the reallocation of unused personal services amounts to cover non-personal services expenses, expenses that the Commission would not otherwise be able to pay, once the vacancies in these essential positions are filled that will not be possible, and the full amount of our requested appropriation will be required in order for the Commission to fulfill its mandate.

COELIG's Operations. The Commission performs its statutory duties across five principal divisions and two shared units, pursuant to an organizational structure that is primarily dictated by the express requirements of Executive Law Section 94². The Commission's advisory and financial

² See Executive Law §94(6)(c). For the most part, the organizational structure set forth in this section emulates the divisional structure employed by the predecessor agency.

disclosure functions are within the Ethics Division. The Commission's lobbying guidance and filings programs constitute the Lobbying Division. The Commission's education and auditing programs and training functions are shared between the Ethics and Lobbying Divisions in, respectively, the Education Unit and the Compliance Audit and Review Unit. The Communications and Public Information Division coordinates the Commission's external communications; oversees the release of public information; plans the Commission's statutory annual public meeting; provides and manages content on the Commission's website, social media channels, and newsletters; receives requests for public records and handles the Commission's media, stakeholder, and legislative relations, as well as provide technical coordination of the logistics for the Commission's public meetings, which are livestreamed and recorded for subsequent viewing. Staff is assigned accordingly throughout the agency, and many employees have joint responsibilities to afford necessary flexibility in the performance of critical functions and in meeting the Commission's broad and varied mandates. Underlying the Commission's Fiscal Year 2025-2026 budget request is a staffing and expense plan that is indispensable if the Commission is to avoid backlogs and delays and perform its mandated functions in a timely, efficient, comprehensive and effective manner, as follows:

Ethics Division – Guidance and Ethics Training. ECRA has not only vastly increased the number of individuals – from over 30,000, to as many, by our latest calculation, as 330,000 – for whom live/live-online comprehensive ethics training and intervening ethics refresher training is to be administered by COELIG (in conjunction with agency ethics officers) but also increased the frequency of mandatory comprehensive live/live-online training – from every third year to every two years.³ The markedly expanded training requirement has posed equally marked staffing challenges, not only for our agency, but for every one of the nearly four hundred agencies encompassed by the new ethics training requirement. To help meet that challenge, we have

³ In addition, the Commission is required to provide an online live question and answer course for agency ethics officers, and it also provides a program of ethics trainer trainings, expanded to meet the increased need for agency-level ethics trainers. ECRA has also extended the mandatory triennial online lobbying ethics training requirement, previously applicable only to registered lobbyists, to now apply to lobbying clients (who at the end of last year numbered over 4,600), which has required both a modification of the online course and our method of providing it, and an expansion of our compliance capturing and monitoring capabilities. It should be noted that the Commission will be pursuing, in the current legislative session, as it did last year, an amendment to Section 1-d(h) of the Legislative Law to increase the required frequency of mandatory ethics training for lobbyists and clients to once every two years, rather than three years, to coincide with the biennial registration requirement of Legislative Law § 1-e(a).

introduced a comprehensive online on-demand course to supplement existing live/live-online training capabilities.

Both to address the expanded overall training requirements and to meet the expanded needs within our own agency, we have created and staffed a new executive-level position, Deputy Director of Learning Innovation, added three additional trainer position and created an additional training associate position (for which recruiting efforts are ongoing) to expand and improve training, tracking, and communication modalities and to keep up with markedly increased administrative and reporting obligations (see, for example, Executive Law § 94(8)(f), which requires quarterly and annual reporting of the status of training compliance to the Governor and the Legislature). We have also added two associate counsel positions in the Ethics Division, to respond to growing demands for guidance stimulated by the increased reach and frequency of mandatory ethics training and to which our Advice and Guidance unit is required by law to respond⁴ and to provide added, as needed, training capabilities.

To date, there have been over 330,000 live-in-person, live-online, and on-demand comprehensive ethics training completions. The Commission's comprehensive workforce ethics training implementation plan calls for all executive branch officials and employees to have received at least one ethics training by the end of 2024 and to have completed a full ethics training cycle – i.e., one live (in person or online) comprehensive training and one refresher training – on or before December 31, 2025. In addition, over 10,000 lobbyists and lobbying clients received online lobbying ethics training in the biennial lobbying cycle that ended on December 31, 2024.

To facilitate our handling of the unprecedented ethics training mandate, we have worked with the Office of Information Technology Services to develop and implement a Statewide Ethics Training Application that, among other things, monitors training compliance at the individual employee level to create, for the first time, a record of each of the more than approximately 330,000 state officers and employees required to complete ethics training. The application went live in mid-June 2024, and when fully populated – it currently has data for approximately 260,000 state employees – it will identify, schedule, track, and report ethics training compliance at the individual

⁴ See Executive Law §94(7). In 2024, Ethics Division attorneys responded to over 1,300 guidance requests, an increase of more than 60% over the prior year, issuing hundreds of informal letter opinions and answering many hundreds more telephone inquiries, including requests for state employee approval to engage in remunerative outside activities (governed by Public Officers Law §74 and 19 NYCRR Part 932) and guidance concerning permissible post-separation private-sector employment (governed by Public Officers Law §73).

employee level across the more than 380 departments, commissions, and agencies that make up the state's executive branch. Further, the Commission has also projected the necessity of leasing a modest amount of additional Training Unit office space in Albany to expand the number of simultaneous live-online ethics trainings to help meet the challenge, shared with executive branch agencies, of providing such live-online training to at least half of the executive branch workforce each year.

Compliance Audit and Review Unit/FDS Unit. The Compliance Audit and Review Unit is also a shared unit, jointly supporting both the Lobbying Division and the FDS unit, which is housed in the Ethics Division. Under our staffing plan, we have filled positions for an additional Compliance Auditor and an additional Compliance Analyst in the Compliance Audit and Review unit and have created an additional Compliance Auditor for which recruiting efforts have been ongoing. With the elimination of the lobbying filing processing backlogs that had resulted from short staffing in prior years, throughput is now commensurate with filing rates, making the need for robust staffing in this unit to prevent downstream processing delays and backlogs and in ensuring that our audits and reviews are always performed in a timely, thorough, and comprehensive manner. For like reasons, we previously filled vacancies in the positions of Assistant Director of FDS and Assistant Filings Specialist (Filings Examiner) in our FDS unit and in the past year created and filled Assistant Director positions in both units to improve oversight and workflow.

Lobbying Division. As was noted in our budget submissions, lobbying activity remains at historically high levels – the lobbying industry spending reached an all-time record of \$360.6 million in 2023, and we expect the number for 2024, when all of the data has been assessed, to be at least as high. The Commission anticipates that lobbying registrations, reports, and amendments will continue to be filed, and lobbying guidance and filing assistance will be sought at historically high rates. To ensure the timely processing and review of the tens of thousands of filings the unit handles every quarter, and to facilitate prompt follow up, we have improved the division's supervisory structure and we have been actively recruiting to fill vacancies in a number of filing specialist positions. Filling these vacancies is essential to achieving our overall compliance goals.

Investigations and Enforcement Division. Under the predecessor agency's staffing plan, this was nominally an eight-person unit, but fiscal limitations meant that only six positions were filled. The

Commission's approved staffing plan calls for expanding the division to at least nine FTEs, both to expedite the disposition of the significant number of open and pending investigative and enforcement matters carried over from JCOPE and to accommodate the expeditious handling of new matters, as well as to meet the demands of the series of significant and complex investigative and enforcement matters that the Division has been handling.

In the first part of 2023, we successfully recruited highly capable new leadership for the Division, including both a new Director of Investigations and Enforcement and a Deputy Director of the division (a newly created position), both of whom who have extensive experience investigating and pursuing public integrity matters. We also created, and filled, a Senior Investigative Counsel position and brought in and promoted two highly experienced Senior Investigators, providing the Division with a core team of investigators and counsel with diverse and deep backgrounds that include public integrity and sex crimes investigations. However, our efforts to fill a second investigative counsel (who will also serve as a liaison for investigation and enforcement purposes to the agency's Lobbying Division), a third investigator (to work out of our New York City office), and an electronic document specialist position to support the handling and trial of complex enforcement matters have been stymied by the ongoing *Cuomo* litigation. While Division staff has been assiduous in handling the growing the number and breadth of investigations and enforcement matters that the Commission has received and is pursuing, once the evidentiary hearing process resumes, the filling of these positions will be crucial.

Administrative Division, Executive Staff, and Communications/Public Information. In its first year of operation, the Commission filled the then-vacant key Executive Staff positions of General Counsel and Deputy General Counsel and the vacant Administrative Division position of Administrative Assistant/Executive Assistant for our New York City office (this last is the sole administrative support position situated in our New York City office). In 2024, it created and filled the position of Deputy Director of Administration, necessary to support a growing staff with widely increased duties. In the Communications/Public Information Division, it created the core, and demanding, position of Director of Communications and Public Affairs and Public Information Officer and successfully recruited an exceptionally well qualified and highly skilled communications expert for the position, who also serves as its Freedom of Information Law Records Access Officer; created and filled the position of Assistant Communications Director; and

filled the position of Communications Assistant. And earlier this year, it added to the Executive Group the position of Research Data Analyst, both to provide the public with more timely and accessible reporting of information collected by the agency and to enable the Commission more readily to identify, evaluate, and deploy technological tools to improve its efficiency and expand its capabilities.

These positions are each essential and indispensable to the efficient and effective operation of our agency and to achieving our goal of maximizing, to the full extent possible within statutory and practical bounds, the transparency of our operations and our openness to public scrutiny. Indeed, the Division went on to create and continuously update and improve the Commission's website and the sites' two principal filing applications – FDS and lobbying – now afford greater public access to information and streamline the reporting processes for filers and staff. Further, the Commission has made the entire lobbying database publicly available on the OpenNY data platform, where it is by far the largest dataset hosted on that platform with more than 200 million records. The maintenance and upgrading of these systems, both to meet new statutory requirements and to address heightened security concerns – particularly in the wake of a cyber-attack in 2022 – requires significant staff and technological resources.

Commissioner Per Diems. These are also part of the personal services component of our budget and are statutorily intended to encourage and facilitate active engagement by Commission members in oversight of the agency's overall operations. (*See* Executive Law §94(4)(f).)

Non-Personal Services. This component of our budget is comprised of lease and utility costs for the Commission's offices in Albany and New York City; office equipment and information technology costs; audit and case management software and systems; livestreaming fees (livestreaming of Commission and committee meetings is required by the OML); document scanning and imaging charges (needed to render the Executive Law § 166 appearance forms submitted to the Commission by covered agencies electronically accessible); professional services and related items; travel costs for in person attendance at Commission meetings (mandated by the OML); legal services (projections for hearing officer fees, hearing transcription services and service of subpoenas); auditing of agency audit randomization (required by the Lobbying Act at Legislative Law § 1-d(b)); postage and electronic transmission charges; social media and

communications charges; telecommunications equipment and charges; and other infrastructure related costs (including a modest addition to its leased space in Albany to accommodate its expanded ethics training unit).

While the Commission's actual nonpersonal services costs have fluctuated each year since its inception, they have unavoidably exceeded the appropriated amount, which has been flat, in each of those years. Once the \$250,000 attributed in the Governor's proposed 2025-2026 budget to the payment of liabilities incurred by the former Joint Commission on Public Ethics is netted out, the nonpersonal services appropriation proposed for COELIG for the coming fiscal year is once again the same appropriation – \$912,000 – the Commission has received in its enacted budget for every preceding fiscal year. COELIG's requested nonpersonal services appropriation of \$1,224,300 represents a reasonable projection of the minimum amount the Commission will require in fiscal year 2025-2026 to meet its necessary and indispensable nonpersonal services costs.

Conclusion

As before, the Commission recognizes the reality that the state fisc is not unlimited, that state resources must be carefully minded and prudently managed, and that difficult fiscal challenges may lie ahead. Respect for government and the acknowledgment that its resources are the public's resources is core to the Commission's ethos and its mission, and the Commission remains committed to doing its part to address that challenge. Commission staff members have, and will continue, to identify measures to improve the Commission's efficiency and accountability to New Yorkers, as well as to demonstrate its leadership in ethics and lobbying compliance.

The Commission must be emphatic, however, that its ability to meet these mandates is entirely dependent upon it having funding sufficient to maintain the requisite levels of appropriately trained and qualified staff in all positions. The vastly increased mandatory ethics training requirements – which equate to a more than thirty-fold increase in the number of individuals to whom ethics training must be provided annually by the Commission and employing agencies, as well as the ever-increasing demand for greater accountability and disclosure by public officers, state employees, and those seeking to influence government decisions, mean that the Commission must have the resources dictated by its mandate and statutory mission, and commensurate with its needs. Without the requisite funding, the Commission cannot succeed in

providing the training, guidance, and compliance monitoring called for by the state's ethics and lobbying laws nor can it adequately enforce the ethical standards mandated by those statutes or ensure the unambiguous transparency that is critical to rebuilding trust in our state's government. The central importance of our mission and of assuring adequate and protected funding of our agency is expressed in the same section of ECRA that created the Commission:

The annual budget submitted by the governor shall separately state the recommended appropriations for the commission on ethics and lobbying in government. Upon enactment, these separately stated appropriations for the commission on ethics and lobbying in government shall not be decreased by interchange with any other appropriation, notwithstanding section fifty-one of the state finance law.

Executive Law §94(1)(f).

I trust that the foregoing sufficiently communicates why adequate budgetary support at the level requested in its Fiscal Year 2025-2026 budget submission is indispensable if the Commission on Ethics and Lobbying in Government is to perform its statutory functions and fulfill its mandate in the coming fiscal year.

Please do not hesitate to let me know if you have any questions about our agency and its budgetary needs, or if there is any additional information that would be helpful to you, the Committees, and Legislature at large in the budgetary process or otherwise.

Thank you,



Sanford N. Berland
Executive Director,
New York State Commission on Ethics
and Lobbying in Government

Attachment.

LEONARD B. AUSTIN
CHAIR

AVA AYERS
VICE-CHAIR

DOLLY CARABALLO
JAMES W. CARAS
MICHAEL A. CARDOZO
CLAUDIA L. EDWARDS
NANCY G. GROENWEGEN
SEYMOUR W. JAMES, JR.
MEMBERS



540 BROADWAY
ALBANY, NEW YORK 12207
ethics.ny.gov

SANFORD N. BERLAND
EXECUTIVE DIRECTOR

PHONE: (518) 408-3976
FAX: (518) 408-3975
ethics@ethics.ny.gov

October 17, 2024

Mr. Blake G. Washington
Director of the Budget
New York State Division of the Budget
Agency Building 4, 13th Floor
Albany, New York 12224

Dear Mr. Washington:

On behalf of the New York State Commission on Ethics and Lobbying in Government (“COELIG”), enclosed is a response to your letter of October 1, 2024.

COELIG’s management team has worked diligently to meet the agency’s statutory mandates with available resources, and it will continue to do so to the best of its ability, while at the same time recognizing that robust resources are needed to meet our agency’s statutory mandates. In support of the State’s commitment to controlling spending and achieving greater efficiency in government, as well as to restoring the public’s faith in the integrity of our State government and ensuring strict compliance with the State’s ethics and lobbying laws and regulations, COELIG submits a budget request of \$8,910,300 for Fiscal Year 2025-2026. This request assumes necessary growth over the agency’s appropriation for Fiscal Year 2024-2025 while also implementing the legislative mandate to our agency, embodied in the Ethics Commission Reform Act of 2022, substantially to maintain and strengthen its capacity and capabilities in several crucial areas, including investigations and enforcement, lobbying regulation, mandatory workforce-wide ethics training, and guidance. It is critical to our agency that it have the financial resources and staffing necessary to meeting that legislative mandate and to carrying out its mission to restore public confidence in our State’s government.

Very truly yours,

Sanford N. Berland
Executive Director

LEONARD B. AUSTIN
CHAIR

AVA AYERS
VICE-CHAIR

DOLLY CARABALLO
JAMES W. CARAS
MICHAEL A. CARDOZO
CLAUDIA L. EDWARDS
NANCY G. GROENWEGEN
SEYMOUR W. JAMES, JR.
MEMBERS



540 BROADWAY
ALBANY, NEW YORK 12207
ethics.ny.gov

SANFORD N. BERLAND
EXECUTIVE DIRECTOR

PHONE: (518) 408-3976
FAX: (518) 408-3975
ethics@ethics.ny.gov

POLICY ADVICE ON REQUEST

New York State Division of the Budget All Funds Budget Request FY 2025-2026 Statement of the Chair

Agency: New York State Commission on Ethics and Lobbying in Government

The Commission on Ethics and Lobbying in Government (“COELIG” or the “Commission”) oversees and regulates ethics and lobbying in New York State. The Commission has broad oversight over officers and employees at State agencies and departments including commissions, boards, State public benefit corporations, public authorities, SUNY, CUNY, and the statutory closely affiliated corporations, the four statewide elected officials and members of the Legislature (and candidates for those offices), employees of the Legislature, certain political party chairpersons, and registered lobbyists and their clients.

The Commission provides information, education, training and advice regarding current ethics and lobbying laws, and promotes compliance with these laws through audits, investigations, and enforcement proceedings. Further, the Commission promotes transparency by making publicly available the disclosures required to be filed by the individuals and entities under its oversight. These disclosures include, but are not limited to, the more than 35,000 Financial Disclosure Statements (“FDSs”) filed by State officers and employees subject to the Commission’s jurisdiction, as well as tens of thousands of activity and expenditure reports filed by the more than 12,500 registered lobbyists and lobbying clients who spent more than \$360 million to influence both State and local public officials in 2023. Indeed, the more than 190 million lobbying records the Commission has made available on the Open NY data platform constitutes the largest dataset made publicly available in that platform’s history.

To streamline operations and improve the Commission’s efficiency and effectiveness, and to comply with statutory requirements, the Commission’s mission is carried out by five principal divisions and one shared unit, structured to evenly distribute responsibilities and best manage agency resources: the Ethics, Lobbying, Investigations and Enforcement, Communications and Public Information, and Administration Divisions, and the Training and Audit Unit. The Commission’s advisory and financial disclosure functions are within the Ethics Division. The

Restoring public trust in state government

Commission's Lobbying guidance and filings programs constitute the Lobbying Division. The Commission's education and auditing programs and training functions are shared between the Ethics and Lobbying Divisions in its Training Unit. Staff is assigned accordingly throughout. The Commission's organizational structure allows it to allocate staff as needed to handle critical functions and meet its mandates.

The Commission generates revenues from lobbying registration fees, filing fees, late fees and fines, and monetary penalties, which are deposited into the State General Fund. In State Fiscal Year ("SFY") 2023-2024, which included much of the first year of a biennial lobbying registration cycle and a portion of the second, the Commission assessed or collected approximately \$1,314,025 in such revenues; to date in SFY 2024-2025, the second year of a biennial cycle and a portion of the first year of the next cycle, over \$460,000 in such amounts has been collected. By statute, the current registration fee schedule calls for a fee of \$200 to be paid for a biennial registration period, and a prorated \$100 when registering during the second year. Lobbying clients submit a filing fee of \$50 with each of their semi-annual filings. The Commission estimates that at least 70% of its revenues come from lobbying fees over a typical biennial period. As the second half of the biennial registration cycle runs from January 2024 through December 2024, with a new cycle beginning in January 2025, the Commission projects that its total revenue collections will be approximately \$2,100,000 in the 2024-2025 fiscal year, with late fees accounting for approximately 25% of that figure. In addition, so far in FY 2024-2025, and notwithstanding the *Cuomo* litigation discussed below, a number of investigative and enforcement actions have been settled, including one that involved the making of a large contribution to a state medical research institution, for a total of \$338,000.

COELIG administers and provides mandatory ethics training programs to State officers and employees, directly and through the employing agencies, including programs specifically tailored to the needs of individual agencies. In accordance with the requirements of the Ethics Commission Reform Act of 2022 ("ECRA"), these programs, previously mandated only for executive branch FDS filers, are being extended to all state executive branch officers and employees going forward, *a more than ten-fold increase in the number of state employees who will be receiving mandatory ethics training annually*. Further, the mandatory training cycle has been accelerated, such that the live comprehensive ethics training course ("CETC") must be administered to each employee biennially, with annual online refresher training in the intervening year (previously, such training was administered on a tri-annual cycle and only to FDS filers). The aggregate effect of these changes is a thirty-fold increase in the number of state officers and employees receiving mandatory ethics training annually. COELIG also administers a mandatory online lobbying ethics training program, which, too, has been expanded pursuant to ECRA, which requires that lobbying clients, who at this point in the current biennial registration cycle number nearly 4,000, also receive ethics training. To meet these substantially increased requirements, the Commission has added two associate counsels to its Ethics Division and has expanded its training staff, tripling the number of trainers, creating and filling the position of Deputy Director for Learning Innovation and Administration, and doubling the number of training associate positions in its Training Unit. The Commission has also projected the necessity of leasing a modest amount of additional Training Unit office space in Albany to expand the number of simultaneous live-online ethics trainings to help meet the challenge, shared with executive branch agencies, of providing such training to in excess of 160,000 state officers and employees annually. In addition, we have worked with the Office of Information Technology Services to develop and implement a Statewide Ethics Training Application that, among other things, monitors training compliance at the individual employee level to create, for the first time, a record of each of the more than approximately 320,000 state officers and employees required to complete ethics training. The application went live in mid-June

2024, and when fully populated, it will identify, schedule, track, and report ethics training compliance at the individual employee level across the more than 370 departments, commissions, and agencies that make up the state's executive branch.

Commission staff members continue to identify measures to improve the Commission's efficiency and accountability to New Yorkers, as well as to demonstrate its leadership with respect to ethics and lobbying compliance. To that end, the Commission created and filled the position of Assistant Director in our Compliance Audit and Review Unit and added an additional compliance auditor and a compliance analyst in that Unit, and upgraded the Unit's auditing software, and added the position of an Assistant Director in our FDS unit. As we noted in connection with our submission last year, the Commission's website replaced the site used by our predecessor agency, our two online filing applications – FDS and lobbying – have been improved to afford greater public access to information and to streamline the reporting processes for filers and staff, and, again, we have made the entire lobbying database publicly available on the OpenNY data platform. The maintenance and upgrading of these systems, both to meet new statutory requirements and to address heightened security concerns – particularly in the wake of a systems attack in 2022 – has required, and continues to require, significant staff and technological resources.

Demands for lobbying staff resources continue to grow based on historically high, ongoing industry activity. As noted above, last year over \$360 million in lobbying industry spending was recorded, once again the highest in the history of New York State lobbying regulation. As a result, Commission staff were tasked with processing registration statements and activity reports for 12,500 registered lobbyists and clients of lobbyists. For this reason, the Commission added, and filled, three assistant filing specialists/filings examiner positions to facilitate the timely processing of statutory reports and has added and filled an additional Deputy Director position in its Lobbying Division.

Although the stayed order that is the subject of the Commission's pending appeal to the New York Court of Appeals in *Cuomo v. New York State Commission on Ethics and Lobbying in Government*, 228 AD23d 175 (3d Dep't 2024), *lv. to appeal to New York Court of Appeals granted* (3d Dep't June 5, 2024), has indirectly impacted aspects of the Commission's enforcement work and will likely continue to do so until the Court of Appeals renders its decision (in late January or February 2025), the number and breadth of investigations and enforcement matters being pursued by the Commission has continued to increase. Thus, the Commission's previously formalized expansion of its Investigation and Enforcement Division, which added two investigative counsel, two confidential investigators and an electronic discovery specialist position to the Division to address these growing needs, as well as the replacement of its outmoded case management and litigation support system, have proved to be indispensable to the Commission's fulfillment of its responsibility to monitor compliance with and to enforce the state's ethics and lobbying laws.

Fully mindful of the Budget Director's October 1, 2024, letter, the Commission has respectfully submitted a proposed budget for SFY 2025-2026 of \$8,910,300, which assumes necessary growth over the 2024-2025 Enacted Budget and also implements the legislative mandate, embodied in ECRA, to strengthen its capacity and capabilities in several key areas, including investigations and enforcement, training and guidance.

The Commission acknowledges the financial situation in which the State finds itself and is committed to doing its part to address this challenge. Nevertheless, the Commission remains concerned about its ability to continue to meet its mandates without additional support in the future. Moreover, both the markedly increased mandatory ethics training requirements and the ever-

POLICY ADVICE ON REQUEST

increasing demand for greater accountability and disclosure by public officers, State employees, and those seeking to influence government decisions together mean that the Commission must have the resources dictated by its mandate and its statutory mission. It is critical for this Commission to succeed in providing training, guidance, monitoring compliance, and enforcing the ethical standards mandated by the Public Officers Law and the Lobbying Act to ensure transparency and to continue to rebuild trust in State government. The Commission looks forward to the Division of Budget's support in this endeavor.

**New York State
Division of the Budget
All Funds Budget Request FY 2025-26
Agency Summary
Recapitulation of Current Year Adjusted Appropriations
and Requested Changes for the Next Fiscal Year**

Agency: NYS Commission on Ethics and Lobbying in Government

(A)	(B)	(C)	(D)
Appropriation Category/Fund Type	Adjusted Appropriations 2024-25	Requested Change	Total Request (Column B+C) 2025-26
State Operations			
General Fund	8,066,000	844,300	8,910,300
Special Revenue - Federal			0
Special Revenue - Other			0
Enterprise			0
Internal Service			0
Private Purpose Trust			0
Subtotal	8,066,000	844,300	8,910,300
Aid to Localities			
General Fund			0
Special Revenue - Federal			0
Special Revenue - Other			0
Enterprise			0
Subtotal			0
Capital Projects			
Capital Projects Fund			0
Special Revenue - Other			0
Enterprise			0
Internal Service			0
Subtotal			0
Debt Service			0
Agency Total	8,066,000	844,300	8,910,300

**New York State
Division of the Budget
All Funds Budget Request FY 2025-26
Program Recapitulation
of Current Year Adjusted Appropriations
and Requested Changes for the Next Fiscal Year**

Agency: NYS Commission on Ethics and
Lobbying in Government

Category:

State Operations

(A)	(B)	(C)	(D)
Program/Fund Type	Adjusted Appropriations 2024-25	Requested Change	Total Request (Column B+C) 2025-26
Program			
General Fund	8,066,000	844,300	8,910,300
Special Revenue - Federal			0
Special Revenue - Other			0
Enterprise			0
Internal Service			0
Private Purpose Trust			0
Program Total	8,066,000	844,300	8,910,300
Program			
General Fund			0
Special Revenue - Federal			0
Special Revenue - Other			0
Enterprise			0
Internal Service			0
Private Purpose Trust			0
Program Total	0	0	0
Program			
General Fund			0
Special Revenue - Federal			0
Special Revenue - Other			0
Enterprise			0
Internal Service			0
Private Purpose Trust			0
Program Total	0	0	0
All Program Recapitulation			
Program	8,066,000	844,300	8,910,300
Program			0
Program			0
Agency Total	8,066,000	844,300	8,910,300

**NYS Division of the Budget
Miscellaneous Receipts BRM Report**

Receipt Name	Fund	Subfund	Account	Product Code	Periodicity	Fee/Fine	Fee/Fine Unit Desc	2023-24 Revenue Amt Distributed	Indicator	Law/Section	
Agency : 3810000 - Ethics and Lobbying, Independent Commission on											
1	Administrative Late Fees	003	10050	31131	201050	As Necessary	\$100.00	Fee assessed to	\$0.00	Statutory	Public Officers Law section 73-
2	Client Filing fee	003	10050	31301	201051	Six Months	\$50.00	Client semiannual	\$420,730.00	Statutory	Lobbying Act 1-j(c)(3)
3	FOIL Fees	003	10050	31301	300077	As Necessary	\$0.01 - \$0.25	Copying fees for	\$0.00	Statutory	Freedom of Information Law
4	Lobbying Late Fees	003	10050	31406	201055	Daily	\$10.00 - \$1,000.00	late filing fee for	\$685,435.00	Statutory	Lobbying Act 1-e(e)(iii), 1-
5	Lobbyist Civil Penalty Fine	003	10050	31406	201054	As Necessary	\$2,000.00 - \$50,000.00	Fine for various violations of the Lobby Act	\$3,000.00	Statutory	Lobbying Act 1-o(b)(i),(ii),(iii),(v),(vi)
6	Lobbyist Registration Fee	003	10050	31301	201053	Two Year	\$100.00 - \$200.00	Lobbyist registration	\$253,800.00	Statutory	Lobbying Act Section 1-e(e)(iii)
7	Public Officers Law Civil Assessment Fee	003	10050	31406	201056	As Necessary	\$0.01 - \$40,000.00	civil penalty assessed for violations of POL &	\$0.00	Statutory	Executive Law section 94(14)

**New York State
Division of the Budget
All Funds Budget Request FY 2025-26
State Operations and Aid to Localities
Recapitulation of Current Year Adjusted and
and Requested New Year Appropriations**

Agency: NYS Commission on Ethics and Lobbying in Government
Program:
Division/Institution:

Fund Type: General
Fund: General
Subfund:

(A)	(B)	(C)	(D)
Object and Subobject of Appropriation/Aid Purpose	Adjusted Appropriations 2024-25	Change	Requested Appropriations (Column B+C) 2025-26
State Operations			
Personal Service			0
Personal Service -- Regular	7,109,000	532,000	7,641,000
Temporary Service			0
Holiday/Overtime Compensation	45,000		45,000
Total PS	7,154,000	532,000	7,686,000
Nonpersonal Service			
Supplies and Materials	80,000	0	80,000
Travel	40,000	0	40,000
Contractual Services	742,000	312,300	1,054,300
Equipment	50,000	0	50,000
Fringe Benefits			0
Indirect Costs			0
Total NPS	912,000	312,300	1,224,300
Maintenance Undistributed			
Personal Service -- Regular			0
Temporary Service			0
Holiday/Overtime Compensation			0
Supplies and Materials			0
Travel			0
Contractual Services			0
Equipment			0
Fringe Benefits			0
Indirect Costs			0
Total MU	0	0	0
Total State Operations	8,066,000	844,300	8,910,300
Aid to Localities			
Purpose:			
--			0
--			0
--			0
--			0
--			0
Total Aid to Localities	0	0	0
Grand Total SO and ATL	8,066,000	844,300	8,910,300