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April 3, 2012

Chair Ravel and Commissioners Eskovitz,
Garrett, Montgomery, and Rotunda
Fair Political Practices Commission
428 J Street, Suite 600
Sacramento, CA 95814

Re: Agenda Item #13: Adoption of Regulation 18412; Amendment of Regulations 18413 and 18215.

Dear Chair Ravel and Commissioners:

On behalf of California Common Cause and the 400,000 members nationally, please accept this letter which describes our support for the adoption of regulations 18412, 18413, and 18215 related to multipurpose organizations.

Finding the right balance:

Common Cause commends Senior Counsel Lawrence Woodlock for his work in drafting these new regulations to improve and update the reporting rule for multipurpose groups involved in California political activities.

After reviewing the proposed regulations, we believe Mr. Woodlock has found the correct regulatory balance of clarifying essential regulations on multipurpose groups while at the same time increasing the accuracy of reports, and also protecting nonprofit funders, such as foundations, who require funds not be spent on political campaigns.

It is our experience that special interests and individual major donors look towards multipurpose groups, specifically 501(c)'s, to funnel money into state and national elections because they believe such organizations can shield them from public scrutiny. Californians have overwhelmingly demanded more transparency and disclosure of candidate and ballot measure funders. These regulations will meet the voters' demands.

Multipurpose group anxiety:

As a national nonprofit, Common Cause sympathizes with other multipurpose groups who worry the proposed regulations will expose all their donors to public scrutiny, which could result in funding loss. We believe these worries are not supported by the facts of the regulation.

We believe the disclosure process described in the proposed rule will allow multipurpose groups to properly account for those individuals who 1) gave for the sole purpose of supporting or opposing a candidate or measure, 2) those who had "reason to know" their contribution would be used for political

purposes, 3) all other funds will be attributed to the multipurpose group, and 4) in §18412 (c)(3), the ability to “carve out” from reports those donors who have earmarked funds as non-political or are outside of California.

§18412 (c)(3) is especially helpful to groups like Common Cause because we participate in political campaigns across the country, receiving donations from voters in every state with only some of the donors giving for political purposes and a *smaller* portion of those donors giving specifically for political purposes in California.

Other comments from the regulated community relate to nonprofits’ fears of getting lost or violating the Act because they were unable to understand campaign finance regulations and laws. This is a valid point but is not a convincing reason to delay the regulations in front of you. Rather their concern is better addressed through the Commission’s separate and ongoing process of simplifying regulations, forms, and filing processes. The Commission should also use social media and other forms of communications to instruct first-time political participants on the rules of California’s campaign finance system.

We urge the Commission to adopt the proposed rules on this agenda item.

Please contact me at (916) 520-4070 or pung@commoncause.org if there are any questions regarding our comments.

Sincerely,

A handwritten signature in black ink that reads "Phillip Ung". The signature is written in a cursive style with a long horizontal stroke at the end.

Phillip Ung
Policy Advocate
California Common Cause