

June 18, 2013

Chair Ann Ravel and Commissioners Eric Casher, Sean Escovitz, Gavin Wasserman, and Patricia Wynne
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

RE: Agenda Item #23: Senate Bill 2 (Lieu-Yee) - SUPPORT

Dear Chair Ravel and Commissioners:

We respectfully request the Fair Political Practices Commission support the staff recommendation for Senate Bill 2. Senate Bill 2 is a comprehensive bill to improve California's campaign disclosure on candidates, slate mailers, independent expenditures, and ballot measure committees.

Senate Bill 2 provides new disclosure requirements to empower voters with accurate information about political advertisements and other forms of campaign communication. Many of the provisions in Senate Bill 2 originate from bipartisan and multi-disciplinary recommendations of the McPherson Commission and the Schnur Task Force; other provisions are in response to recent incidents from the 2012 election cycle.

The main goal of Senate Bill 2 is to provide a set of tools for voters and the Commission to shine a light on those who participate in California's elections. We believe this comprehensive approach is the right formula to improve campaign transparency and disclosure.

We wish to take this opportunity to clarify one point in the staff analysis relating to the Legislature's intent to adopt more frequent and regular campaign filings. Prior to the bill's May 15 amendments, Senate Bill 2 featured substantial changes to the campaign disclosure schedule for all entities. Senate Bill 2 would have adopted recommendations from the McPherson and Schnur reports and best practices of the Federal Election Commission. These provisions included quarterly filing for all entities during non-election years and additional monthly filing for larger campaign committees during election years. To complement the increase in regular, predictable campaign filings, Senate Bill 2 would have also reduced the number of special reports required under the Act. We strongly believe these reforms would make the Political Reform Act more accessible to both new and experienced campaigns, while also improving the timeliness of public disclosure.

Unfortunately, we felt we must remove those provisions from the bill because of the Commission's cost concerns of nearly \$400,000 to comply. To deal with these substantial costs, we deleted the new filing provisions and inserted intent language, which serves as a powerful message from the Legislature as to what Political Reform Act changes should be examined in the future.

We hope this new information gives the Commission more context for why we added legislative intent language. We look forward to your support of Senate Bill 2.

Sincerely,

Ted W. Lieu
Senator
District 28



Jennifer A. Waggoner
President
League of Women Voters of California



Phillip Ung
Policy Advocate
Common Cause



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RE: Agenda Item #23: Senate Bill 3 (Yee-Lieu) - SUPPORT

Dear Chair Ravel and Commissioners:

We respectfully request the Fair Political Practices Commission support Senate Bill 3 which will implement statewide certification of campaign treasurers and take the initial steps to replacing California's antiquated Cal-Access disclosure system.

California is in desperate need of a new online disclosure system that is flexible and can meet today's technology and data standards. Fourteen years ago, California established Cal-Access, which contains campaign and lobbying information for all entities regulated under the Political Reform Act; since then the system has fallen into disrepair. In late 2011, the entire system crashed, taking six weeks – during a filing period – to get stabilized. The Secretary of State has assured the public the system is now stabilized; however, due to outdated technology, it has lost all flexibility and is limited to existing functions. These Cal-Access restrictions are de facto restrictions on the voters' and Commission's ability to expand and strengthen the Political Reform Act.

The Commission experienced this de facto restriction first-hand when it sponsored Assembly Bill 481 of 2012, which would have resulted, among other things, in the modification of an existing form. Because of the limited flexibility in the Cal-Access system, the Secretary of State estimated a \$722,000 cost to modify *one form*. This tremendous cost hurdle forced the author of AB 481 to amend the bill, which resulted in the creation of a new campaign form to be filed with the Commission, not with the traditional campaign disclosure officer. What was meant to be an alteration to one form turned into two forms filed with two different agencies, all because of the inflexible online filing system which Senate Bill 3 aims to fix. A new online disclosure system will allow for flexibility in forms, allow improved access to voters, media, and watchdogs, and provide better customer service to the regulated community.

In order for the State to build the new disclosure system, we must update the estimated costs by using the State's existing procurement process. This process starts with a new feasibility study report (FSR). The last Cal-Access FSR was completed in 2007 with an estimated price of replacing the system of \$12-\$20 million. This estimate has been considered unacceptably high by today's technology standards. Thus the Legislature and the regulated community - who would be paying for this upgrade through fees - support a new estimate to replace the 2007 FSR.

Additionally, we concur with the staff's analysis of the \$250,000 threshold for treasurer training. Earlier this year the cosponsors of this bill met with Commission staff and stated the need for an appropriate threshold that would balance a treasurer's need for training versus the cost burden on small committees. Staff expressed that any policy recommendation must be made by the Commission. So, we urge the Commission to discuss and recommend a threshold for treasurer training that can be amended into Senate Bill 3. Treasurer training is essential for proper compliance with the Political Reform Act, FPPC regulations, advice letters, and FPPC Opinions. Many campaign violations could be prevented through a fully implemented and successful training program, saving public resources and redirecting the Enforcement Division's time to more pressing issues.

With an updated Cal-Access system in addition to a vibrant treasurer training system, we are confident the cost *savings* to the Commission over the long run will far outweigh the near-term costs of implementing Senate Bill 3.

For the reasons stated above, we strongly urge the Commission to reject the staff recommendation and move to adopt a Support position for Senate Bill 3.

Sincerely,



Leland Yee
Senator
District 8

Jennifer A Waggoner
President
League of Women Voters of California



Phillip Ung
Policy Advocate
Common Cause

