

Written Testimony from Phillip Ung, Director of Public Affairs, California Forward

On behalf of California Forward (CA Fwd) and our bipartisan leadership council, it is my pleasure to present written testimony to the Senate Committee on Elections and Constitutional Amendment to supplement the oral testimony provided on Friday, December 11, 2015 in Los Angeles, California.

The state of campaign finance in the United States and in California has become an important issue for voters and policymakers, with a growing public curiosity and concern about the impact of money in the political system. The combination of increased focus by the media, the proliferation of information on the internet, and high-profile decisions by the U. S. Supreme Court has created an environment where voters have paid more attention to the the issue of money in politics than ever before. This unprecedented public scrutiny presents challenges to the Legislature, Secretary of State, and Fair Political Practices Commission.

California's campaign finance laws are recognized nationally as being some of the most comprehensive and progressive rules adopted by any jurisdiction. They also are recognized as some of the most complex laws adopted by any jurisdiction.

CA Fwd's mission is to improve governance in California so that better decision-making leads to better results and accountability. Toward that end, CA Fwd has worked to improve the political process, the fiscal systems and relationships among governments. We are currently prioritizing two issues that can substantially improve the state's campaign finance system: 1) improving the use of technology to increase transparency and access to election-related information, and 2) simplifying and modernizing campaign finance laws to improve compliance and enforcement.

1) Modernize and Improve the use of Technology to Increase Transparency and Access to Election-Related Information

The most important computer system to California's campaign finance structure is Cal-Access, the campaign and lobbying database at the Secretary of State's office. It cannot be overstated: Cal-Access is the linchpin of California's campaign finance disclosure system that affects more than just a voter's ability to access information.

When Cal-Access first launched in 2000, it was seen as a technological innovation for the rest of the country to follow. Since its launch the system has remained substantially unchanged, including the basic technology behind the system. The infrastructure of the system is built on a series of programming codes no longer used by programmers nor seen as an industry standard. Together, the antiquated infrastructure and the general age of the system, leaves California's transparency database subject to instability and rigidity.

At the end of 2011, Cal-Access crashed and the service remained down for more than a month, leaving the public and the regulated community without an online disclosure system during a filing

period. One of the challenges facing the Secretary of State's office was finding IT professionals who understood and could work with the antiquated coding language.

The Cal-Access system has since been fixed and is stable, however it remains in a state that prevents any possible changes to the system. This new rigidity has led to the Legislature and the Commission to develop new laws and, consequently, new forms that are submitted directly to the Commission and not disclosed online through the Secretary of State. Additionally, the inability to make changes to forms in the online system has prevented the FPPC from streamlining and simplifying forms.

It is not all bad news. Under Secretary Debra Bowen, a coalition of media, good government groups (including CA Fwd and California Common Cause), and civic hackers joined together to lobby for the release of the raw campaign finance and lobbying data held within the Cal-Access system. That open data victory opened up numerous opportunities for innovation. MapLight, who has recently partnered with Secretary of State Padilla to launch PowerSearch, was able to build that application on open data. The Sacramento Bee has built advanced data visualizations to help readers understand complex campaign finance stories.

The data being released by Cal-Access was a step in the right direction. The data, however, has been described as flawed and "dirty." CA Fwd believes a new Cal-Access system with open data in mind from the very beginning can open up a plethora new innovations and application to better serve the public.

CA Fwd supports Secretary of State Alex Padilla and FPPC chair Jodi Remke as they work together to add tools to assist voters in navigating the data within the Cal-Access database. We also applaud their efforts at making the system a priority for their respective agencies.

CA Fwd convened the Cal-Access Working Group in 2014 to facilitate discussion, discover ideas, gather information, and recommend solutions to modernize California's next generation disclosure system. The Working Group is composed of stakeholders from the private, public, and nonprofit sectors.

CA Fwd also is a co-convener -- alongside Common Cause, California Business Roundtable, and California Labor Federation -- of the Political Reform and Moderation (PRAM) coalition that Kathay Feng, executive director of California Common Cause, can elaborate on. One of the major area of interest in the PRAM discussions is the modernization of the Cal-Access system.

California Forward strongly encourages the Legislature to place the modernization of Cal-Access on the top of the campaign finance priority list. The future of California's campaign finance transparency depends on a system prepared for the changing campaign finance landscape. A new system would result in improved access, streamlined requirements, and a flexible system that could adapt to the changing public policy landscape.

The Legislature can support the modernization of Cal-Access in several ways:

- Appropriate adequate funds from the General Fund and the Political Disclosure, Access, Transparency, and Accountability special fund to support the Secretary's efforts to improve and modernize the system.
- Enact legislation to clear regulatory hurdles that may stand in the way of a timely launch of a new and innovative system.
- Provide sufficient oversight to ensure this technology project is successful.

2) Simplify and Modernize Campaign Finance Laws

First adopted by voters in 1974, the Political Reform Act continues to be the State's cornerstone public trust law regulating campaign finance, lobbying, and ethics of candidates and public officials. The Political Reform Act has been amended several times by voter initiatives and dozens of times by the Legislature, resulting in a patchwork of provisions that is difficult to navigate for thousands of first-time candidates and ballot measure campaigns.

CA Fwd supports Chairwoman Remke's priorities for the Commission, which is to balance the streamlining and simplification of the Act while maintaining a strong focus on enforcement. The strategy would result in more compliance by campaign participants while ensuring the Commission's resources are spent on investigations of serious or intentional violations of the law.

The Act can also benefit from modernization of laws, including adjusting reporting thresholds and enforcement fines for inflation. The FPPC is required to update contribution limits on a biannual basis, however other monetary thresholds and fines within the Act remain unchanged. In 2015, the Legislature adopted AB 594 (Gordon), which updated the committee organization threshold from \$1,000 to \$2,000. This was a positive improvement supported by CA Fwd and others.

The Legislature should identify and adjust other thresholds to ensure grassroots and small campaigns can conduct themselves without violation of the law. The Legislature should also identify and adjust enforcement fines to ensure proper deterrents are in place to prevent violations and sanctions are strong so violators won't repeat their offenses.

CA Fwd is eager to continue our engagement with the Legislature, Secretary of State Alex Padilla, and the Fair Political Practices Commission to improve California's campaign finance system for the 21st century. The solutions to California's system are realistic and achievable. CA Fwd thanks the Senate Committee on Elections and Constitutional Amendments for holding this important oversight and information hearing.