



STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

***TESTIMONY PRESENTED BEFORE THE GOVERNMENT ADMINISTRATION
AND ELECTIONS COMMITTEE***

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Statement of Albert P. Lenge, Executive Director and General Counsel

*Senate Bill 945 –AAC Electronic Filing of Campaign Reposts with the
State Elections Enforcement Commission*

Good morning, Chairperson Slossberg, Chairman Morin, Ranking Members Senator McLachlan and Representative Hwang, and distinguished Committee members. I am Albert Lenge, Executive Director and General Counsel of the State Elections Enforcement Commission. Thank you for this opportunity to testify on behalf of **Senate Bill 945**, which is our Commission proposal requiring all candidates and exploratory committees filing with the Commission who raise or spend at least \$4,500 to electronically file. The bill also requires state central committees and legislative caucus and leadership committees to electronically file, and other political and party committees which raised or spent \$5,000 in the current calendar year or in the preceding regular election.

Mandating electronic filing is crucial to the State Elections Enforcement Commission's goal of providing the public with transparency as well as accurate and prompt disclosure of campaign finances. For good reason, electronic filing is required in most major public financing jurisdictions.

Regrettably, Connecticut has been ranked poorly in this area on the national level. The nonpartisan nonprofit California Voter Foundation studied campaign disclosure and electronic filing systems in each of the fifty states and in previous years, issued annual reports entitled Grading State Disclosure. In its last issued report in 2008, Connecticut received a D in its electronic filing program, ranking 29th in the nation. The report explained that "Connecticut law requires electronic filing only for statewide candidates raising \$250,000, by far the highest threshold in place in any state . . ." Since other states have since adopted mandatory electronic filing requirements at lower thresholds after the 2008 report, Connecticut would undoubtedly now rank even lower were the Foundation to issue a report this year. This is unacceptable if we want Connecticut to be a trailblazer in the area of campaign finance reform.

The Commission's e-filing system, eCRIS, affords users a state of the art system that (1) delivers warnings and prompts identifying reporting errors and potential violations of campaign finance laws, (2) automatically aggregates campaign contributions and expenditures, and (3) notifies campaign treasurers that filed reports have been received. The system also provides treasurers with e-mail alerts reminding them when reports are due and allows them the flexibility of uploading data from Excel and other campaign management software. In addition, it allows treasurers to appoint a data entry person to enter the committee's data into eCRIS and review their entries before submission. Moreover, data can be entered at any time and saved for a later submission, so there is no need to complete an entire filing at one time. As a testament to its user-friendly design, we should note that in 2010, 71% of CEP candidate committees filed on eCRIS.

20 Trinity Street • Hartford, Connecticut • 06106 – 1628

Phone: (860) 256-2940 • Toll Free-CT Only: 1-866-SEEC-INFO • Email: SEEC@ct.gov • Internet: www.ct.gov/seec

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Electronic filing is important for several reasons. As already noted, it helps candidates and treasurers stay in compliance with the law by sending red flags to treasurers about possible issues with their report. E-filing also helps treasurers “do the math,” making basic arithmetic errors far less likely. In addition, e-filing provides both the public and candidates with prompt disclosure of campaign expenditures. A disclosure statement filed electronically is available in its entirety at the moment the Commission receives the filing.

We have seen a steady increase in the number of eCRIS users since the system was first created in 2008. Prior to 2008, only about 10% of committees electronically filed their statements with the Commission, through “CFIS.” In 2008, 31% of committees filed through eCRIS, 38% in 2009, and 46% in 2010.

Mandatory electronic filing offers the State substantial cost savings. The Commission receives between 3,000 and 4,000 paper filings a year. The data contained in these filings must be data entered into eCRIS’s searchable database, at a cost of \$39 per filing. This entails a cost of somewhere between \$117,000 and \$156,000 per year.

For grant applications submitted for the Citizens’ Election Program, filing by paper hinders the review process and therefore the ability for campaigns to make timely corrections. While the data that Commission staff must review to determine grant eligibility is immediately available when a grant application is submitted through eCRIS, paper filings must first be converted into electronic format before Commission staff can begin its review, resulting in an automatic 24 hour delay.

Moreover, even after the data contained in a paper filing is converted into electronic format, the potential for human error in date entry requires that Commission staff confirm the accuracy of the data that has been inputted. In addition, data that has been converted from a paper filing often needs modification, as unlike eCRIS, where users are prompted when their entries are non-compliant, paper filers receive no notification as they complete their filing.

As an example, two grant applications – one submitted by eCRIS and one submitted by paper – are submitted on a Thursday at 4 pm. Commission staff can immediately begin review of the electronic application but cannot begin review of the paper application until after noon on Friday, once its data has been electronically entered. Moreover, the reviewer must then take the time to ensure the accuracy of the data that has been electronically entered. Thus, review of the paper application will often not be completed until Tuesday or possibly later. With a Wednesday Commission meeting, this one less day to process an application is vital.

Because of these delays in processing, a committee that files by paper has less time to make any corrections if needed before a grant determination must be made. Processing filings submitted by paper also results in potential increase in overtime for Commission staff.

As time goes on, more and more states are requiring electronic filings at much lower thresholds than Connecticut, with many requiring it from dollar one. In 2010 alone, four states enacted legislation that required mandatory electronic filings of all committees regardless of the amount received or spent (Minnesota, Missouri, Utah, and Wyoming), joining many other states that already have such requirements. One other state (Georgia) enacted legislation in 2010 requiring all candidate committees to file electronically at dollar one and all other types of committees that have reached \$5,000 for the year.

Accordingly, Senate Bill 945 will bring Connecticut into the fold of model states that emphasize transparency in political campaign funding, and would secure our position as a national leader in campaign financing reform. Thank you for your consideration of our Commission proposal.