STATE OF CONNECTICUT

STATE ELECTIONS ENFORCEMENT COMMISSION

WRITTEN TESTIMONY PRESENTED BEFORE THE APPROPRIATIONS COMMITTEE IN SUPPORT OF GOVERNOR'S PROPOSED BUDGET FOR FY 2016-2017 BIENNIUM

March 4, 2015

Statement of Michael J. Brandi, Executive Director & General Counsel
State Elections Enforcement Commission

Thank you for the opportunity to give testimony to the committee today concerning Governor's proposed budget. For the SEEC, it is based on current services, with only slight amendments. We appreciate that it is a difficult budget, and we appreciate the Governor's recommendations. We are satisfied that this budget as presented allows us to maintain our current level of services and high quality of performance. If passed, we will make every effort to work within this budget.

As you know, the SEEC serves as a watchdog agency, ensuring the public's faith in the integrity of the elections system. Since 2005, Connecticut's legislature has been a leader in campaign finance reform. Establishment of one of the nation's most successful public financing programs, strict contribution limits, pay-to-play limits and a rapid response to *Citizens' United* requiring almost immediate disclosure of campaign related expenditures by SuperPACs and outside special interests are just a few of the achievements that have made our laws a model for campaign finance reform. A key component to making all of this work is the SEEC's independent non-partisan enforcement authority and its efficient administration of the program and disclosure regimes.

We continue to provide the exemplary programs and services to our regulated community and public throughout the past election cycles, despite having lost 40% our staff to budget cuts in 2011. We accomplished this by creative management of resources, consolidated functions, increased training of our skilled staff, the efficient use and expansion of information technology, legislative changes and effective communication with our regulated community; we managed to meet our mandate even with these drastic cuts.

In 2014, the Commission approved 287 CEP grants during the Program's fourth run, distributing over $33 million dollars in grants to participating committees. Once again, the CEP was an unmitigated success, with over 80% of the General Assembly candidates participating, and 100% of major party candidates in the statewide general election participating, and it continues to achieve its mission of tempering the influence of special interest money in our elections.

We fully recognize that the State faces extremely difficult financial decisions. As we move forward we know that it will be necessary to continue making changes that will save money. Thanks to the budgetary protection provided by the Legislature, Elections Enforcement has worked diligently to create efficiencies and to enable its staff to do more with less, while still functioning at a high level. We do believe that there may be additional, creative ways to save money and find efficiencies without destroying the independence of the watchdogs - who we are and what we do. These options are apparent to those of us who work daily at these agencies and are based on detailed knowledge of the structures and processes within the watchdogs that allow us to serve the people of Connecticut well. For example, we know that electronic filing works. Short of a mandate for all filing, we have found that individualized outreach to treasurers with personal support and training is most helpful. Today we have 93% of CEP candidates filing electronically and steady increases for political committees and town committees. Clearer bright line rules with respect to when expenditures are coordinated will cut down on post-election enforcement costs. This is what our proposed campaign finance legislation would accomplish. Taking on the role of filing repository for all campaign finance filings, including municipalities, we believe, would work: it would be cost-effective—reducing an unfunded mandate on municipalities—and offer more open and transparent disclosure, as all the filings would be made accessible through eCRIS and all municipal candidates would now have direct access to this system. We have proposed a bill that would create such a program.

Thank you for your consideration of these critical matters. I have more written testimony, attached to this statement, that address the accountability questions that you had, but I will simply enter that into the record with these remarks. I look forward to working with you and will be happy to field any questions now.

Appropriations Committee Budget Hearings
Eight Standard Accountability Questions

1. What is the quality of life result to which the program makes the most important contribution?

SEEC safeguards the public's trust in the electoral process. The Citizens Election Program ("CEP") allows Connecticut citizens to know that their elected public officials are running for office with clean money, money raised in small amounts from individual human beings. The CEP also allows anyone to run for office, and compete, because the playing field is level. The SEEC is an independent, non-partisan enforcement authority and it efficiently administers the CEP and Connecticut's campaign finance disclosure regimes.

In short, it allows Connecticut's citizens, candidates, treasurers and members of political and party committees to have increased confidence in the electoral process. Everything that SEEC does, from administration of the Nation's leading full public financing program, to timely and useful disclosure of campaign related spending, to independent non-partisan enforcement all lead to improvement of public trust in government and increased confidence in the electoral process.

2. How does the program contribute to the result?

The CEP allows Connecticut citizens to know that their elected public officials are running for office with clean money, money raised in small amounts from individual human beings. The CEP also allows anyone to run for office, and compete, because the playing field is level. Elimination of special interest money leads to improvement of public trust in government. Making campaign-finance data available to the public and the press in a timely manner ensures meaningful disclosure of campaign spending.

3. Who are the programs major customers?

Major customers of the CEP are first and foremost the public, whose trust in the electoral process we safeguard, town clerks and treasurers and campaign staff, with whom we work cooperatively, and candidates for public office, including candidates for the Connecticut General Assembly and Constitutional Offices. The press and the public are our customers, as they use our disclosure systems. The public-at-large relies on our independent non-partisan enforcement of election administration laws with respect to elections and referenda.

4. What measures do you use to tell if the program is delivering its services well? How are you doing on the most important of those measures?

In the past, the SEEC has looked to the reduction of special interest money contributed to candidates as a performance measure.

Looking to our baseline, in 2006 which was the last major election before the advent of the CEP, less than half of the contributions made to candidates came from individuals, and more than half of the $9.3 million raised by candidates came from special interest sources, such as political committees.

The implementation of public financing brought an extreme change: in 2008, an extraordinary 97% of the contributions came from individuals. In 2010, even with statewide elections, again 97% of all contributions to candidate committees were from individuals, and only 3% of contributions from other sources, primarily political committees. In 2012, there was another decrease in special interest contributions with only 2% of the contributions coming from sources other than individuals. In 2014, over 99% of all contributions were made by individuals.

The high level of participation in the CEP is the key factor in reducing the number and amount of contributions received from special interest sources. In 2008, 75% of General Assembly candidates participated, 2010, 70% of General Assembly candidates participated in the CEP; in 2012, that number again increased to 75%. In 2014, it was 80%, its highest level yet.

For Constitutional offices, 100% of major party candidates in the general election participated.

In 2014, the Compliance Unit has drafted and completed twenty-one (21) opinions of counsel, four (4) Advisory Opinions, three (3) Declaratory Rulings and has published numerous handbooks, guides and other informational materials and provided trainings throughout the state. The attorneys of the subdivision assist citizens, candidates and committees with their understanding of, and participation in, the election process, including both the public financing and private financing requirements of Connecticut campaign finance laws. The attorneys and elections officers answered over 6,400 compliance questions from citizens, candidates and committee staff regarding state and local elections, referenda, fundraising and the CEP. Additionally, we had and responded to 155 FOI requests, and performed 23 trainings.

Our electronic filing repository continues to get heavy use, with almost 10,000 documents filed (9,892), and 1,900 helpdesk calls answered.

The SEEC was named as a party in three litigations requiring varying degrees of commitment of time and resources. In the *DGA v. Brandi* matter, the SEEC assisted the Attorney General's office in defending in successfully defending an attack on Connecticut's campaign financing laws. Had this attack been successful, Connecticut's campaign finance regulation would have been suspended for the 2014 cycle, resulting n extreme unfairness to participants and a complete lack of disclosure for the public.

Democratic Governors Association v. Brandi, United States District Court, District of Connecticut Docket No. 3:14-cv-544-JCH.

Republican Party of Connecticut v. Democratic Party of Connecticut, Hartford Superior Court Docket No. HHD-CV14-6054730-S.

BEN ANCONA v. STATE ELECTIONS ENFORCEMENT COMMISSION, Hartford Superior Court Docket No. HHD-CV14-6051714-S.

5. What measures do you use to tell if the program's customers are better off? How are you doing on the most important of those measures?

In order to assess how well we are doing with the high call volume we handle and the many training materials we create etc., all are evaluated. Among the performance measures we use is a post-election survey sent to candidates and treasurers.

In 2008, 76% of candidates responding to the survey were satisfied with their experience, with 43% Very Satisfied. Nearly 62% of candidate survey respondents said that they were inclined to participate in the CEP with 26% undecided. In 2008, 76% of treasurers responding to the survey were satisfied.

In 2010 Participating Candidate Survey Results: 92% of candidate respondents were satisfied or very satisfied. In 2010, 90% of treasurers responding to the survey were satisfied.

The 2012 Participating Candidate & Treasurer Surveys Results show that 89% of responding candidates (down from 92% in 2010) and 86% of responding treasurers were satisfied with their 2012 experience in the Citizens' Election Program (down from 90% in 2010). Since some candidate committees report difficulty with finding a treasurer, the 86% satisfaction level of 2012 participating treasurers is noteworthy. Despite initial reluctance, treasurers are generally pleased with the experience.

For 2014, survey responses show that 87% of candidates and 83% of treasurers were satisfied with their experience in the CEP.

A second performance measure is increased campaign disclosure and transparency, which we can gauge by the percentage of filers that use our electronic filing system.

Campaign Disclosure and Transparency

Year	Total # of committees	# filing eCRIS	% filing eCRIS
2008	Candidate (347)	169	48%
	Party (372)	117	31%
	PAC (457)	68	15%
	Total: 1176	**354**	**30%**
2010	Candidate (481)	279	58%
	Party (373)	147	39%
	PAC (424)	110	26%
	Total: 1278	**536**	**42%**
2012	Candidate (368)	287	78%
	Party (373)	205	55%
	PAC (399)	271	68%
	Total: 1140	**763**	**67%**
2014	Candidate (330)	273	83%
	Party (368)	262	71%
	PAC (308)	174	56%
	Total (1006)	**709**	**70%**

The number of committees filing electronically via eCRIS continues its significant upward trend. Since the electronic filing system was designed, built and implemented in 2008, Commission staff have made it a top priority to encourage and recruit committees to voluntarily sign up and use the new system because of its numerous advantages. Initially, thirty percent of all committees that filed

with SEEC used eCRIS in 2008, but that number increased to 42% in 2010 and went up to 67% in 2012 and 70% in 2014.

Electronic filings are better in several ways: they provide the public with immediate access to campaign finance reports, and save paper, time and money. With paper filings, the data are entered into a searchable database by staff, at significant cost.

Additionally, the public—as well as the media and the regulated community—has greater access to rapid and complete disclosure via eCRIS. Search functionality is being constantly improved by our IT staff.

6. Who are the partners with a major role to play in doing better?

Our major partners are essentially the same as our customers: first and foremost, the public, whose trust in the electoral process we safeguard, town clerks and treasurers and campaign and party staff, with whom we work cooperatively, and candidates for public office, including candidates for the Connecticut General Assembly and Constitutional Offices. The press and the public are our partners, as they are relied upon to file complaints alleging violations and report on the data found in our disclosure systems.

Additionally, our partners include the Connecticut General Assembly, Constitutional Officers, and Good Government Organizations, who support important campaign finance legislation initiatives.

DAS and DOIT are important partners. The ability to maintain the hardware associated with the smooth and secure functioning of the electronic campaign finance system and the ability to timely replace staff members lost due to retirement or promotion has become absolutely critical; therefore, DAS and DOIT also play a role in the SEEC's ability to meet the standard of excellence we desire.

7. What works, what could work, to do better, or to do the least harm in a difficult financial climate?

Electronic filing works. Short of a mandate for all filing, we have found that individualized outreach to treasurers with personal support and training is most helpful. Moneys spent on data entry for paper filing can be better spent elsewhere.

Clearer bright line rules with respect to when expenditures are coordinated will cut down on post-election enforcement costs.

Taking on the role of filing repository for municipalities, we believe, would work: it would be cost-effective and provide a significant improvement in meaningful disclosure.

8. What specific actions do you propose to take over the next two years? Focus on 1) no-cost and low-cost actions, 2) actions to reduce the harm of budget reductions, and 3) reallocation of existing resources to obtain best results.

The Municipal Pilot Program would create savings to the state as a whole using a low cost action to reduce the harm of budget reductions to municipalities by off-setting them with increased services from SEEC to town clerk's office, centralizing work to a place with automated systems capable of handling it. Taking on the role of filing repository for municipalities, would be cost-effective and provide a significant improvement is meaningful disclosure.

Additionally, we have taken steps to cross train personnel to mitigate the knowledge loss when people retire or move on, lowering costly time spent training after the fact.