



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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MEMBER

APPROPRIATIONS COMMITTEE
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GOVERNMENT ADMINISTRATION AND ELECTIONS
COMMITTEE

March 27, 2015 * 11:00am * 2D

Testimony in opposition to SB 1126, An Act Concerning Revisions to Campaign Finance Laws, in its current form and in support of substitute language that includes HB 5351, An Act Concerning Campaign Consultants.

Dear Senator Cassano, Representative Jutila, Senator McLachlan and Representative Smith, and other distinguished members of the Government Administration and Elections Committee. Thank you for the opportunity to testify in opposition to *SB 1126, An Act Concerning Revisions to Campaign Finance Laws*, in its current form and in favor of substitute language that includes the requirements of *HB 5351, An Act Concerning Campaign Consultants*.

As stated on the State Elections Enforcement Commission (SEEC) web site, "The Citizens' Election Program is a voluntary program which provides full public financing to qualified candidates for Statewide offices and the General Assembly." Two of the five goals of the Citizens' Election Program (CEP) are to (1) "restore public confidence in the electoral and legislative processes" and (2) "provide the public with useful and timely disclosure of campaign finances."

The practice of some Statewide and General Assembly candidates is to spend most, if not all, of the CEP grant funds on political consulting organizations as documented in the Norwich Bulletin article, *Election Consultants Cash In*, on March 15, 2015. CGS Section 9-608 requires that treasurers provide statements regarding all authorized campaign expenses, including secondary payees. However, campaign treasurers routinely fail to report secondary payees when retaining political consultants to pay for routine campaign expenses, such as mailings, advertising and yard signs. It is clear that SEEC has not interpreted CGS Section 9-608 to require these consultants to itemize their campaign expenses on behalf of CEP candidates. Due to this, the only way that the public has insight into the specific campaign expenses is if there is a post-election audit, which occurs months after the election is completed.

The lack of visibility of campaign finances when a political consultant is paid the significant portion of the CEP grant precludes the public from being provided "useful and timely disclosure of campaign finances," which further erodes "public confidence in the electoral and legislative processes." The

failure to disclose the itemized campaign expenses needs to be rectified so that the public can know how taxpayer funds are being expended under the CEP.

Another potential issue with the way that the CEP is currently implemented and overseen by SEEC is the potential that one large political consulting firm may represent several candidates, who choose to spend most of their grant funds there. Without a requirement for consultants to follow the same disclosure rules as treasurers with respect to secondary payees, CEP grant funds from multiple candidates could be co-mingled making the grants fungible between candidates. Excess campaign expenditures would not be known unless the campaign was audited after the election is complete, negating the opportunity to use that information in assessing candidates. At that point, the election is decided even though the potential excess expenditures may have had a direct impact on the outcome.

We need to correct these deficiencies in the CEP so that public confidence is restored in the process so that political campaign consultants are not perceived to be "cashing in" on taxpayer funds. Ensuring that consultants report back to SEEC with all secondary payee data, as required of the treasurer, would go a long way toward that goal and greatly improve our publicly funded election program.

I urge the Government Administration and Elections Committee to support substitute language to SB 1126 that includes HB 5351 and thank all the members for their attention.

Regards,

Mike France State Representative, 42nd Assembly District
Ledyard, Preston, Montville