

CPTA - November 16, 2018 Sacramento Meeting

AGENDA OF CALIFORNIA POLITICAL TREASURERS ASSOCIATION

FRIDAY, NOVEMBER 16, 2018

10:00 a.m. - 4:00 p.m.

Embassy Suites

100 Capitol Mall

Sacramento, CA 95814

Attendance: Tricia Kent, Jenny Sawyer, Mary Nunez, Jason Prasad, Kristen Lippstreu, Sheila Scally, Charley Herzfeld, Zoe Misquez, Megan Olson, Natalie Vergard, Natalie Monolragon, Ingrid Orellana, Chris Thomas, D’Ron Smith, David Bauer, Rich Eichman, Barbara Gillespie, Yolanda Miranda, Cine Ivery, Michelle Moore Sanders, Peter Sullivan, Don Milligan, Evette Bakke, Jennifer Ewert, Kimberly Urbano, Danielle Stephen, Laura Stephen, David Gould, Megan Imperial, Brenna Brown, Carrie McFadden, Flora Yin.

1. Welcome from President David Gould.
2. Approval of minutes from June Conference in San Diego.
Mary Nunes moves to accept, Sheila Scally seconds. No objections.
3. Acceptance of Financial Statement.
David Bauer moves to accept, Mary Nunes seconds. No objections.
4. Acknowledge appointment of Nancy Haley as new Treasurer and Kristen Lippstreu as Membership Coordinator.

Post-Election Talk:

- City of Benicia (County of Contra Costa) Form 465 – Supplemental Independent Expenditure, is still a requirement. Also requires a total of three pre-election reports and a post-election report.
- West Covina City Clerk’s Office had issued late filing letters because reports were ‘mailed’. The City Clerk was trying to enforce filers to hand deliver all reports in order to be considered filed on time. David Gould contacted the FPPC and they reached out to the City of West Covina to

inform them this was incorrect. Reports do not need to be hand delivered, they can be mailed.

- Electronic Filing System – IT staff and contractor have begun software development. Trying to figure out when the first public meeting will be held. ‘Data driven system’ will not talk to the filer community before developing software. December 14, 2018 (9:30AM – 11AM, Secretary of State) will be the vendor meeting. SOS stated they would be doing local filings.
- How can our voices be heard, regarding the development of the new e-filing system?
 - File complaint with the attorney general - misuse of public funds.
 - Subject to supervision of some type. Violation of the law.
- Talk with Branche Jones regarding how to take action with new filing software development.

5. FPPC Speaker Presentation: Trish Mayer and Phillip Ung.

General updates:

- Currently have four Commissioners. Office is missing a fifth Commissioner. (More than likely a new Commissioner will not be appointed during Governor Brown’s remaining time in office).
- Internally - Interim/Acting Executive Director, Loressa Hon.
- New General Counsel - David Bainbridge.
- Phone hours went back to normal, now that the election is over.
- Advice line limited to morning hours.

New Laws as of 01/01/2019:

AB 2155: (Mullin) Cleanup of Disclosure Act - Ads.

AB 2880: (Harper) FPPC to contract with any local jurisdiction in the state to enforce campaign finance rules. One stipulation, population cannot be larger than 3 million.

AB 2188: (Mullin) Delayed until 01/01/2020: Social Media Disclose Act.

Number of changes to what's required for social media advertisement:

- Committees must supply a certain amount of disclosure information, and all online platforms must have a database that can be searched by users. A user would be able to click on the "paid for by" disclosure link and will be able to view all ads posted by that particular committee.
- Platform not held liable if the committee is not compliant, it's up to the committee to supply correct and accurate information.
- Delay in implementation in order to ensure online platforms can rollout new laws/requirements. Online platforms need to have a searchable database, no other liability for platforms.

SB 1239: (Hertzberg) Changes to filing campaign reports in preparation of the new Cal-Access system.

- The new e-filing system can be launched **without** being certified. Alex Padilla will certify the new system.
- Upon launch **and** certification of the new system, paper filings will go away. T10 requirements will also go away. The new system will have the capability to generate the T10 information for users.

Commission is currently reviewing four bills to sponsor:

- Outdated information to repeal.
- Minor and clarifying to Disclosure Act.
- Clarifying regulations, example Assistant Treasurer.
- This bill encompasses four parts:
 1. Require all recipient committees to have separate bank accounts. Right now, only requirement is for candidate committees.
 2. Requiring Principal Officer to sign Form 410 Statement of Organization.
 - Can see potential issues here, such as wet signatures and PO being in another city.
 - Separate form for the PO to sign? Similar to the Form 462

Candidate controlled ballot measures: defining boundaries, such as spending and use of funds. Seeing hints of abuse already.

3. Require Treasurer's attest that they have knowledge of liability.
 - Create and implement an additional form for signature.
 - Working out the conditions of how to go about record keeping of the Treasurer's acknowledgment of liability.
 4. Campaign disclosure requirements, such as long committee names. A concern is freedom of speech.
- Annual fee (\$50) and penalty fee (\$150) for not paying timely. Debating whether or not the \$150 fee would be the only fine.
 - Could be up to \$5,000 for 'violating the disclosure act.'
 - Date will change for the annual fee for all open/active committees to April 1st 2020. This is contingent on the certification of the new system.
 - Redacting bank account numbers: Public Records Act right now requires that committee bank account numbers be disclosed.
 - No public value having this information published.
 - Don't see issues with this passing.
 - Share cases of fraud that has happened with the FPPC.
 - Double fining is currently happening. The FPPC and SOS can both fine for the same violation. Questioning whether or not this is a problem.

CPTA Member Comments:

- Address the issue that it's \$10 a day for e-filing late and paper filing late = \$20 a day total.
 - See if the threshold for major donors can be raised to a higher limit or go away all together.
- Prohibit campaign funds to be used for legal services for sexual harassment charges.
 - Contribution and gift limits were increased. In effect January 1, 2019.

- No need to wait until January 1, 2019 to start using the new limits for future elections.
- FPPC is currently updating 496/497 instructions.
- Cleanup and changes to the disclosure acts; underlines, capital letters.
- FPPC encourages feedback on all campaign forms.
- The 2020 Primary election will be in March; filing schedules will be up in February 2019.
- End of November 2018 the annual fee (\$50) letters will be sent out.
- Officeholder funds are now allowed for the County of San Bernardino.

CPTA Member Comments:

- EDD: For walkers, be careful the liability may be more than just paying them/1099s.
- Overlap of reporting of Forms 496 and 497 for primarily formed independent expenditure committees. Possible solution: Change filing instructions to that of the Umberg report. If the information is already online, it should not have to be reported again.
- Local filing officers: Not helpful with giving information at the local level. If this happens, contact the FPPC. The FPPC can provide education to local filing officers.
- Ad Watch: Allows the public to submit a non-formal complaint for ads that are published. Goes through the Enforcement Division, but is not considered a formal investigation. Most submissions were due to negative ads, and people not agreeing with what was published. Possible Solution: Put some type of language on the FPPC website where the Ad Watch link is located, to ensure the public understands this is *not* a formal complaint.

6. Steve Kauffman, update on FPPC Enforcement Task Force. Did not present

7. Branche Jones, Legislative update.

AB 84: (Mullin)

- December 14th 2018 meeting: Gather thoughts and concerns.
- Be diligent about the four proposals [listed above “FPPC Speaker Presentation”].
- Condensing bills - less items for the Legislature to see.
- Cal-Access 2.0 - how to get out wants/needs through to SOS.
- Branche can write a letter and/or set up a meeting with Alex Padilla in person.
- Paying the annual fee, was not meant to be a forever charge and was not written as such. The fee was intended to update/create a better filing system.

Break for lunch, Buffet served

8. Secretary of State presentation / Q&A: Julie Waddell - Chief of the Political Reform Division

Cal-Access Replacement System Project

- System Developer: Perspecta;
 - Has developed filing systems for 33 Secretary of State offices nationwide.

Project Timeline:

Requirements & Design	July 2018 – April 2019
New Cal-Access Solution Development	October 2018 – August 2019
End-to-End Testing	November 2018 – July 2019
User Acceptance Testing	February 2019 – October 2019
New System & Business Process Training	June 2019 – November 2019
Cal-Access Public Assess Go Live	December 2019

- For ongoing project questions email: prdcars@sos.ca.gov

CPTA Member Comments:

- Members expressed their frustrations with how their input is not valued, and public meetings are scheduled around filing deadlines, so organizations, such as CPTA, is not able to attend.

9. David Bauer, presentation electronic records storage. Did not present

10. Vendor presentation: Bobby Reed, eFundraising

- 2019 offering PayPal
- 2019 ACH Payments
- Email reminders can be sent to donors who may have started the initial setup process to make a contribution, but never finalized.
- Talks of creating a “Candidate App” which would allow the Candidate/Treasurer to track and report meals, travel expenses, gifts, etc. Can send out a survey to see the demand for this.
- Able to create a “black list” for occupations/employers that are not valid that donors use to bypass providing the required reporting information.

11. General Meeting:

- Recapped on previous misreporting requirements enforced by local filing officers.
- Went through the talking points of the FPPC.
- Discussed the December 14th 2018 meeting Please gather and email Kristen Lippstreu (KLippstreu@nmgovlaw.com) your ideas, concerns, and suggestions on the development and implantation of the new e-filing system.
- Next meeting date and location: March 22nd in Southern California
Host: To be determined

12. Meeting adjournment.